

Submission to the Basic Income Pilot Consultation

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Campaign 2000

Campaign 2000 is a national, non-partisan network of 120 national, provincial and community partner organizations committed to working together to end child and family poverty in Canada. Ontario Campaign 2000 is a provincial partner with over 70 member organizations across the province.
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Introduction

Ontario Campaign 2000 is a provincial coalition of over 70 active partner organizations committed to eradicating child and family poverty in Canada. Our membership is broad and diverse. It includes faith groups, educators who belong to ETFO, OSSTF and OECTA, the health and community sectors serving children and families, labour and academics and low income and working families from Thunder Bay to Peel Region to Windsor. For 20 years, Campaign 2000 has carefully monitored poverty and related social policies at the federal and provincial levels through our annual report cards on child and family poverty.

We are pleased to share our thoughts on the Ontario government's proposed Basic Income Pilot and are encouraged that the Ontario government is exploring ways to change the current income security system. The need for an improved income security system can be witnessed through the struggles of low income people, including families and children living in poverty throughout the province. Low income families across the province lack sufficient income to pay for their essential needs, including housing, food, hydro and child care. Neither work nor the current income security programs provide a clear path out of poverty. The Basic Income Pilot provides a unique opportunity to implement a tool which can be used to help eliminate poverty in the province by addressing the inequalities that are present in the current social assistance system. However, great care must be taken to ensure that the Pilot is grounded both in understanding the systemic conditions which cause people to live in poverty and in addressing the systemic barriers that prohibit people from exiting poverty.

Ontario Campaign 2000 supports the submissions of the ODSP Action Coalition and the Income Security Advocacy Centre. We recommend that the Ontario government ensure that the Basic Income Pilot is designed to eradicate poverty and does not leave anyone worse off than they are on OW and ODSP.

Child and Family Poverty

Child and family poverty continue to be a serious problem in Ontario. The most recent data show 18.8% of children under the age of 18 and 20.4% of children under the age of 6 live in poverty in Ontario according to the Low Income Measure After Tax (LIM-AT, 2014).¹ In addition, 14.4% of families with children, and 30.4% of lone parent families live in poverty in the province.² The depth of poverty experienced by low income families is staggering. The median income of a lone parent with one child is more than \$8,000 below the LIM-AT 2014

¹ <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

² <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

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while the median income of a couple with one child is \$10,000 below the LIM-AT 2014.³ Current social assistance rates also leave children and families in the province in a depth of poverty that is difficult to fathom. A single parent on Ontario Works (OW) with one child lives nearly \$11,000 below the LIM-AT 2016, while a couple on OW with two children are \$15,709 under the LIM-AT 2016.⁴ With the increasing costs of necessities such as housing, hydro, child care and food, and the increasing precarity of employment in Ontario (with the growth of part-time, contract, temporary, and shift work with low wages and few or no benefits), effective policy changes are critical to ensure no child and family in Ontario live in poverty. A basic income may be one policy pillar needed to end child and family poverty in Ontario, but it must be carefully analysed to ensure it does not leave anyone further behind.

Basic Income Guiding Principles

Campaign 2000 has proposed a set of guiding principles for a basic income program with a focus on eliminating child and family poverty.⁵ These guiding principles provide the base of an anti-poverty framework to assess the effectiveness of a basic income program. Fundamentally, a basic income must be coupled with a strong social infrastructure, including policies and programs that address the complexities of the factors leading to poverty. Further, the provision of a basic income should not result in anyone being worse off than they were on previous government programs, including, but not limited to, social assistance.

Campaign 2000 believes that the goal of any basic income program must be to eradicate poverty and reduce income inequality. With this goal in mind a basic income must bring “individuals and families at least 10% above the poverty line, as measured by the Low Income Measure After-Tax (LIM).”⁶ Receiving a basic income should not be determined by labour market or educational attachment. A basic income program should aim to meet a basic needs threshold but should not replace existing and much needed social programs pivotal to a strong social safety net, including but not limited to, public child care programs, prescription drug and dental coverage and parental leave benefits. Distribution of a basic income should not result in the marketization of public services or lead to an expectation that individuals and families should pay for social services. Additionally, a basic income must be developed in conjunction with well developed public policies and social

³ <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

⁴ <http://ontariocampaign2000.ca/wp-content/uploads/2016/11/ReportCardOntarioNov182016.pdf>

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https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office,%20Ontario%20Office/2016/10/CCPA%20ON%20Basic%20Income_FINAL.pdf

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https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office,%20Ontario%20Office/2016/10/CCPA%20ON%20Basic%20Income_FINAL.pdf

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programs to address the structural and systemic inequalities that result in people living in poverty. This includes addressing how racism, sexism, homophobia, transphobia and ableism create systemic barriers in meeting basic needs such as employment, housing and other services. Lastly, a basic income must not result in employers being subsidized for paying low wages, but should promote a minimum living wage that lifts workers out of poverty.

Ontario Campaign 2000 Response

Q.1. Who should be eligible for the Pilot and why?

Eligibility for the Pilot should be inclusive and reflective of the diversity of people who live in Ontario. The Pilot should include people who experience higher rates of poverty including, First Peoples, women, LGBTQ, newcomers, immigrants, racialized, people living with disabilities, female lone parents, etc. Additionally, refugees, refugee claimants, those in the midst of appeals processes and people who are currently eligible for OW and ODSP, including people who are 'not yet citizens,' should also be included within the Pilot. It is important to include a sample of the diversity of the Ontario population and also ensure those who are affected most by poverty are included in the Pilot to gain an understanding of how the Pilot might impact people differently due to their diverse social identities and locations.

Participation in the pilot should be based on an individual's income. The current social assistance system uses family income to determine eligibility. This discriminates against people entering into relationships as it assumes a partner will financially support a person with whom they are in a relationship. This creates a situation of financial dependency and can result in partner violence, particularly among groups who experience higher rates of violence including people living with disabilities, women, seniors and young women.

Q.2. What are the pros and cons of each approach? (Re: Pilot location(s))

The Pilot location(s) should be reflective of the diversity of where people live within the province, including large urban areas, small towns, farming areas, rural areas, northern communities and on reserve. This is important to assess the differential impact of basic income for people living in various locations.

In order for the pilot locations to be reflective of the diversity of the province, they should be chosen based on purposive sampling determined by the different demographics previously stated and the level of income inequality in a location. The impact of the basic income may vary in areas with high rates of

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poverty and little inequality, versus areas with high poverty and high inequality. Further, the locations for the Pilot must have external validity to ensure results can be extrapolated to work in other similar areas.

The Pilot should be started at the same time in each location. This is necessary to control for the external political and economic environment, ensuring that any changes on these macro levels would be experienced consistently in all Pilot locations, and allow for easier interpretation of the impact of the basic income.

The Pilot should measure changes at both the individual and community level. The impact of a basic income could be very different for people depending on their social location and identity. For some a basic income may result in better health outcomes, increased ability to find employment or ability to engage in training to upgrade their skills. Yet, these positive outcomes may not be consistent across all individuals who receive a basic income as there could be other factors which impede a person from fully benefiting from an increase in income. These factors would need to be researched within the Pilot, and could be a result of systemic discrimination, lack of social capital, etc. Thus, it is necessary to identify the impact of basic income at the level of the individual. Community level change must also be tracked as changes may vary, based on the level of inequality, poverty, rural/urban status and overall socio-economic and cultural make-up of the community. These differences could also impede the basic income from having the same results from one community to the next.

Q. 3. What should be considered in determining the amount for Basic Income benefit?

Campaign 2000 believes that the goal of a basic income should be to eradicate poverty and therefore the amount of income provided should reflect this goal. A basic income should bring “individuals and families at least 10% above the poverty line, as measured by the Low Income Measure After-Tax (LIM),”⁷ and should not be determined by labour market or educational attachment. The basic income should not replace other important supplementary benefits, including health benefits provided through OW and ODSP, to ensure people are not worse off. Additionally, there should be no reductions or claw-backs of income received through other benefits (such as seniors’ or children’s benefits, employment insurance or other programs) until individuals are 10% above the LIM.

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https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office,%20Ontario%20Office/2016/10/CCPA%20ON%20Basic%20Income_FINAL.pdf

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There are many other important services and supports that are needed in conjunction with a basic income. These include but are not limited to, a universal, high quality and affordable child care program; a public prescription drug, vision and dental program; mental health services; income supports for people with disabilities; parental leave benefits; and housing supports.

Another important consideration when determining the basic income is the “tax back” rate if people have earnings from employment. If the goal of a basic income is to eradicate poverty the “tax back” rate must ensure that people are not penalized for being employed.

Q.4. How should we get payments to the people who need them?

For the Basic Income to be successful it must be flexible in responding to changes which may occur in people’s income because of job loss, an accident or disability, changes in family size, etc. The process that is developed to adjust one’s Basic Income must be accessible, sufficiently staffed with employees who have an understanding of the issues facing people with low income, and easy to navigate, especially for people who have low income and face increased barriers to accessing services. Below, we outline two methods of delivering payments and highlight advantages and disadvantages of each method.

The use of a Negative Income Tax to deliver a Basic Income would provide the ability to specifically target people living on low income to receive the maximum benefit level. However, if the Basic Income is designed as a Negative Income Tax there are also a variety of issues that must be considered including how to ensure it is responsive to changes in life circumstances and changes in income due to job loss/gain, and emergency situations. Further, policy frameworks and systems would need to be created to ensure people who do not file taxes or who face a variety of barriers in filing taxes are able to access the services needed to maintain eligibility for basic income.

A second option to provide the Basic Income would be to provide a universal demogrant, which would be paid to everyone no matter their income level. This system does not stigmatize anyone based on their income level, though it would also not address income inequality. However, payments could be taxed back after they are received, rather than at the front end as would be done with the Negative Income Tax.

Q.5. What does success look like for a Basic Income Pilot?

A successful Basic Income Pilot would result in a decrease in the number of people living in poverty in the province. Participants would have the means to live a life of dignity and meet their daily needs, including being able to afford appropriate, accessible and safe housing; hydro; nutritious food; clothing;

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transportation; and other basic necessities. The Pilot should look broadly and comprehensively at the impact a basic income may have at both the individual and community levels.

Data collected within the Basic Income Pilot must be disaggregated to provide a deeper analysis of the various outcomes for different people and communities based on their social identities and locations. This disaggregation of data should also be included in any analysis and reporting resulting from the Pilot.

The protocols for the Pilot should be in line with current research protocol which compensates people for their time in participating in research data collection. This would mean that both the group receiving the basic income and those in the control group would receive equal payment for their time participating in answering surveys, participating in focus groups, etc.

The collection of data for the Basic Income Pilot should follow current high standard research protocol regarding the safe use and storage of people's personal information (particularly any data which may lead to a person being identified). Protocols must also be put into place to protect participants from possible negative impacts that may result from data collection, including but not limited to identification of fraudulent activity, such as not reporting all taxable income. The Pilot will need to decide what it will do with this type of information and if it would share this with other levels of government and/or other government programs and/or divisions. All participants should be notified of possible negative impacts which may occur due to their participation in the Pilot, and should be able to stop participation at any point during the Pilot without facing any negative repercussions.

The results of the Pilot should be made public and Pilot participants should receive the results prior to public release. The Pilot should include a process of internal validity with Pilot participants. This process should include sharing key themes coming from the research results and for pilot participants to both validate the data analysis and share any information that may have been missed during data collection or analysis.

Recommendation

Given the Ontario government's commitment to reduce child poverty through its Poverty Reduction Strategy, Ontario Campaign 2000 recommends that the government commit to ensuring that the Basic Income Pilot is designed to eradicate poverty. The key indicators measuring the outcomes of the pilot must show that Ontarians currently living in poverty, including those in receipt of Ontario Works or the Ontario Disability Support Program, are better off as a result of a Basic Income. If basic income recipients are worse off, with

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reduced income and/or reduced access to services, Ontario stands to fall further behind in its poverty reduction goals. With one in five children living in poverty, we must redouble our efforts for progressive policy changes to promote dignity and opportunity today and for generations to come.