



**Official Submission:**  
**Basic Income Pilot Consultation**  
**Bruce Grey Poverty Task Force**  
**January 2017**

## **Introduction**

The Bruce Grey Poverty Task Force<sup>1</sup> works with over 34 agencies, networks and key community stakeholders in Bruce and Grey Counties - to enhance our common understanding of poverty-related issues through solution-based research, knowledge development and information sharing. We are informed by diverse voices of experience and support poverty reduction local action through our action groups and Community Voices.

**The Bruce Grey Poverty Task Force supports the government's initiative to investigate a Basic Income Guarantee as a strategy for reducing poverty and income insecurity.**

The Bruce Grey Poverty Task Force (Poverty Task Force) envisions the revitalization of our rural communities where people are empowered to reach their goals, are able to afford to participate in our community, where a more robust economic development and local investment will reverse the rise of precarious work, loss of benefits to families and out-migration of youth/young families in our communities.

The Poverty Task Force recognizes the Basic Income Pilot as one component of a poverty reduction strategy but we recommend that the government continue to invest in new job opportunities, reduce precarious work and ensure sufficient income wages/benefits. We recognize that the government can't *afford* to provide all income supports and that we will need the private sector paying a living income. We need to move away from "maintaining poverty".

The Poverty Task Force believes that the stigmatization of people on social assistances needs to stop. Providing people with more resources and the choice in how they spend their money will provide a sense of community by leveling the playing field.

We advise the government to continue to build broad public support in the media and our rural communities for the Basic Income Pilot. The Pilot needs to be a concept easy enough to understand by all people. The government needs to build trust with those people who would transition from Ontario Works/ Ontario Disability Support Program to the Pilot and identify champions for the Pilot from middle-class/wealthy economic levels that will support the Pilot over the next 3 years.

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<sup>1</sup> Bruce Grey Poverty Task Force <https://povertytaskforce.com/>

## Background

The Poverty Task Force have provided input on the Pilot at various consultations:

- Members of the Poverty Task Force and Community Voices participated in the Hamilton Consultation hosted by the Ontario government on November 22nd, 2016.
- Members of the Poverty Task Force participated in the OMSSA consultation.
- Members of the Poverty Task Force, its Action Groups and Community Voices held their own stakeholder consultation on January 13<sup>th</sup> 2017.

This Official Submission from the Poverty Task Force is a summary of the discussion held with 40 members on January 13<sup>th</sup>, 2017.

### Section 1: Eligibility

Hugh Segal's Discussion Paper<sup>2</sup> recommends that eligibility to participate in the Basic Income Pilot be limited to age (18 -65) and residency (individuals who have been residents of the Pilot sites for at least one year).

PTF stakeholders are supportive of the Pilot focusing on ages 18 to 64. In addition, they felt it should also include seniors over 65 years in the event that the Basic Income exceeds the normal minimum Guaranteed Income Supplement currently received by seniors.

PTF stakeholders were concerned with the migration of people in and out of the Pilot area. We have experienced the migration of people across County borders to access services and therefore we are supportive of a point-in-time count for migration in and out of the Pilot geographic area as recommended. While some people may be transitory and have difficulty confirming residency we recommend that referrals from a social service agency be used to verify people's history of residency in the Pilot area.

Hugh Segal recommends that the amount of benefits received by participants be a function of both family income and family composition.

PTF stakeholders believes the government should provide basic income payments to all members of the community based on family household income. PTF stakeholders recommend that government not target specific populations within the community but ensure that the most vulnerable members of our communities are included.

### Section 2: Site Selection

Hugh Segal's Discussion Paper recommends two different test sites that could be used for the Pilot – Randomized Control Trial (RCT) studies and Saturation Sites.

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<sup>2</sup> Segal, Hugh (August 2016). Finding a Better Way: A Basic Income Pilot Project for Ontario. Available online: [https://files.ontario.ca/discussionpaper\\_nov3\\_english\\_final.pdf](https://files.ontario.ca/discussionpaper_nov3_english_final.pdf)

The randomized controlled trial (RCT) would have participants randomly selected to receive the basic income benefit. There would also be a control group that would not receive the benefit. The group receiving benefits would be compared against the control group over time to help understand the impact of the basic income.

Hugh Segal's Discussion Paper suggests an RCT test site should 1) accurately represent Ontario's population, including members of Indigenous communities, racialized communities, newcomers, social assistance recipients and low-income workers 2) have a dynamic labour market that does not include large public sector employers, such as big government offices, military bases, or universities; and 3) have strong support from local, community, municipal leadership, and delivery partners

PTF stakeholders recommend that both rural and urban sites be selected as recommended by Hugh Segal's Discussion Paper. PTF stakeholders support a randomized control trial in an urban site only and have determined that it would not be possible in a rural site. While understanding the need to evaluate and compare impacts through this type of study, the PTF stakeholders had many ethical concerns with this type of study. PTF stakeholders felt that it doesn't have to be randomized if people volunteer to be part of the Pilot.

Hugh Segal's Discussion Paper suggests a saturation site study where everyone living within a selected test community would be eligible to receive the basic income benefit. This kind of study helps us examine changes across a community as well as individuals, since more people are getting the benefit and interacting with each other.

The Discussion Paper recommends selecting three saturation sites that are geographically unique and somewhat isolated from other communities in order to reduce outside influences. These locations would be in 1) southern Ontario, 2) northern Ontario or 3) an Indigenous community.

PTF stakeholders support a rural county saturation site. PTF stakeholders believe that a saturation site Pilot will be easier to collect data, measure results and ensure income equity. PTF stakeholders recommend the rural areas in "middle" Ontario as long as they meet the Pilot selection criteria.

In addition, PTF stakeholders are concerned that there appears to be no broad public support in the media and in our rural communities for the Basic Income Pilot. Therefore there is a need for a strong communication strategy to rural communities on the final Pilot design. Transparency is critical in the site selection process, delivery method, cost and measurement.

### **Section 3: Design**

Hugh Segal's Discussion Paper recommends that the basic income amount be either 75% or 100% of the Low-Income Measure (LIM), one of the benchmarks used to measure poverty in Canada and tax back rates (low tax back rate = 20%, high tax back rate = 60%)

PTF stakeholders felt the basic income amount should have a measurable impact on people living in poverty, while also being fair and affordable to implement. The basic income amount should be high enough to meet the complex needs of the population currently living in poverty. PTF stakeholders recommend 100% rather than 75% of the LIM in order to meet the needs of the program and to sustain it. People should receive enough money to reduce the constraints on their current income.

People who currently receive benefits through Ontario Works and the Ontario Disability Support Program receive other benefits such as prescription drug coverage, dental care, assistive devices, vision care, health-related benefits for special diets, etc. Hugh Segal's Discussion Paper recommends that participants, who are currently on Ontario Works and Ontario Disability Support Program and decide to participate in the Basic Income Pilot, should continue to receive other health related benefits, and maintain their eligibility for subsidized housing.

PTF stakeholders support this recommendation and feel it is critical to continue ODB coverage. PTF stakeholders feel that "you cannot give people money and pull the rug out from them by stripping them of their benefits." A new funding formula for benefits may need to be designed under a permanent Basic Income program after the Pilot is concluded.

PTF stakeholders were asked to consider other services and supports that may need to accompany a Basic Income Pilot to support improved outcomes for participants. It is recommended that the Pilot should be a way for "the government to get out of the business of telling people how to live their lives" and focus more on a social agency that provides wrap around support services. Such an agency would provide support services to people with complex needs.

Hugh Segal has stated in his Discussion Paper<sup>3</sup> "it is hard to conclude that the income support that is now available for those living in poverty is adequate in any meaningful way." PTF stakeholders support the government's review of Ontario Works/ODSP rates and benefits during the Pilot period.

While a 'phase out' plan for the end of the Pilot was not referenced in Hugh Segal's Discussion Paper, PTF stakeholders feel it is a critical component. PTF stakeholders are concerned for Pilot participants and the impact of the end of the Pilot. A plan needs to be in place to help transition participants back to previous social assistance.

In addition, PTF stakeholders are concerned about the financial cost to replicating the Pilot across Ontario – do we have the budget? If the Pilot does not go forward, PTF stakeholders are concerned that administration budgets of social agencies would have been reduced during the Pilot and then would need to rise again.

## **Section 4: Delivery**

Hugh Segal's Discussion Paper recommends a Negative Income Tax model. Under that model, payment would be issued monthly, and participants would have their income adjusted when they earn more income resulting in a benefit decrease at a set rate until it is reduced to zero.

PTF stakeholders support a Negative Income Tax model which will benefit low income families and allow for steady income with no major fluctuations. This system would also need to be responsive to income changes throughout the year and to support people who have challenges in filing their taxes - people without bank accounts or fixed addresses, or those who don't file income tax returns.

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<sup>3</sup> Segal, Hugh (August 2016). Finding a Better Way: A Basic Income Pilot Project in Ontario. Available online: [https://files.ontario.ca/discussionpaper\\_nov3\\_english\\_final.pdf](https://files.ontario.ca/discussionpaper_nov3_english_final.pdf).

PTF stakeholders feel that the stigmatization of people on social assistances needs to stop. Some PTF stakeholders felt that Ontario Works recipients are under a punitive and intrusive income delivery system. PTF stakeholders recommend payments every two weeks to normalize payments and make it easier to budget.

PTF stakeholders also noted that if a family “gets ahead” with the Basic Income supplement and graduates out of the Basic Income Supplement, they will still need to hold onto benefits to “stay ahead” unless employment provides benefits.

Hugh Segal’s Discussion Paper indicates that delivering the payment through the income tax system would require close collaboration with the federal government because Ontario doesn’t have its own income tax system, and would need to partner with the Canada Revenue Agency.

## Section 5: Evaluation

Hugh Segal’s Discussion Paper recommends measuring ten specific outcomes. PTF stakeholders identified health, housing stability and quality; perception of citizenship and social inclusion; and education as the most important outcomes.

PTF stakeholders envision success of the Basic Income Pilot will see an increase in well-being for individuals and families; and re-vitalized communities.

PTF stakeholders recommend a move away from traditional indicators like # of people employed, GDP, etc. and the Pilot should focus on more wholistic indicators such as those in the Canadian Index of Well-Being<sup>4</sup>.

PTF stakeholders also recommended these additional outcomes be monitored at community and individual well-being levels:

### Community level changes:

- More robust economic development/local investment/ increase in size/skills of workforce; decrease in out-migration (retention of youth who are educated/skilled labour); new job opportunities; higher revenue in local businesses.
- Higher graduation rates
- Less economic disparity
- Reduced healthcare use – cost
- Decrease in homelessness
- Increased access to health services (i.e. shorter wait times)
- Social services i.e. food banks, become the exception not the norm

### Individual level changes:

- People are empowered to reach their goals (i.e. apply for job they really want; file their income taxes)
- People experience less social isolation
- People experience better health outcomes (i.e. oral health, mental health, physical health, obesity, diabetes, addictions)

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<sup>4</sup> Canadian Indicators of Well-Being, Available online: <https://uwaterloo.ca/canadian-index-wellbeing/reports/2016-canadian-index-wellbeing-national-report/what-wellbeing>

- People engage in less criminal activity (i.e. reduction in incarceration rates)
- People have the money they need to meet their basic needs (i.e. food, safe housing, utilities, transportation)
- People have the skills to successfully manage money (i.e. budgeting, filing income tax)
- More people have full-time employment (fewer people engage in precarious work)
- More people graduating
- Improved employability

PTF stakeholders identified additional strategies to encourage participation. These suggestions include:

- Education – cut through misconceptions using the voice of people living in poverty
- Community engagement – across sectors, politicians, community leaders; respectful communication in safe
- Accept that there will be nay-sayers – focus on educating a critical mass

PTF stakeholders recommend that the cost of living be monitored during the Pilot. PTF stakeholders raised concerns that market prices for rental housing would rise significantly where the Pilot is being undertaken.

Hugh Segal’s Discussion Paper provides a number of recommendations related to participant consent, privacy and reporting. PTF stakeholders recommend that a Privacy Officer be in place to review all processes. Overall, PTF stakeholders acknowledge the need to collect measurement data but it is vital that the data is collected without judgement. We recommend current contract/waivers for confidentiality be used and a ‘check off’ be provided on our income tax form to allow the sharing of personal information and indicate a willingness to participate in the Pilot.

PTF stakeholders recommend that a plan be in place to assist vulnerable participants to understand the objectives of the pilot, complete surveys, provide information and build trust in the process.