

# Ontario's Basic Income Pilot

Presentation by:

Yasir Naqvi

Chief Executive Officer

Institute for Canadian Citizenship

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## The Institute for Canadian Citizenship

The Institute for Canadian Citizenship (ICC) delivers programs and special projects that inspire inclusion, create opportunities to connect, and encourage active citizenship.

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# Poverty and Gender in Ontario

- What we know:
  - Currently, over half of the workers in Ontario earning less than \$15 an hour are between the ages of 25 and 64 and the majority (nearly 60%) are women
  - The gender wage gap in Ontario has remained stagnant for the last decade, with the majority of women earning around 30% less than men
  - More than 42% of people in female lone-parent families in Ontario were classified as having low income in 2014
  - In Ontario, more women than men hold university degrees

# Development of Basic Income Pilot

- Government's rationale and approach
- True cost of poverty
  - Health
  - Employment
  - Education
  - Work behaviour
  - Community impacts
  - Gender inequality
- Other government initiatives
  - \$15/hour minimum wage
  - Free post-secondary tuition
  - Free pharmacare for children and youth (24 and under)
  - Rent control
  - Ontario Child Benefit
  - Pay transparency legislation

# Design of Basic Income Pilot

## What is a basic income?

- A basic income is a payment to eligible couples or individuals that ensures a minimum income level, regardless of employment status.
- Different than social assistance, a basic income can be:
  - given to anyone who meets the income eligibility criterion
  - given to someone who may be working but earning below the basic income level
  - generally simpler to administer

## How the pilot works?

- Two groups of eligible applicants were asked to participate:
  - the Basic Income Group are receiving monthly basic income payments for up to a three-year period
  - the Comparison Group do not receive monthly Basic Income payments, but will actively participate in the research study

# Features of Basic Income Pilot

## How participants were chosen?

- Participants are:
  - 18 to 64 years old for the duration of the pilot
  - living in one of the selected test regions for the past at least 12 months or longer (and still live there)
  - living on a low income (under \$34,000 per year if single or under \$48,000 per year if a couple)

## Payment amount

- The payment will ensure a minimum level of income is provided to participants
- Following a tax credit model, the Ontario Basic Income Pilot will ensure that participants receive up to:
  - \$16,989 per year for a single person, less 50% of any earned income
  - \$24,027 per year for a couple, less 50% of any earned income
  - People with a disability will also receive up to \$500 per month on top

# Evaluation of Basic Income Pilot

## What will be measured?

- The government will test how a basic income might help people living on low incomes better meet their basic needs, while improving outcomes in:
  - food security
  - stress and anxiety
  - mental health
  - health and health care usage
  - housing stability
  - education and training
  - employment and labour market participation

## Pilot evaluation

- The pilot will be evaluated by a third-party research group, made up of a team of leading researchers, experts and academics led by a major hospital and university
- Government also created:
  - the Minister's Advisory Council to give advice and recommendations about the pilot study
  - a Research and Evaluation Advisory Committee to monitor the pilot and ensure it's conducted with integrity, rigour and meets ethical standards



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Inclusion is a choice.”**

— Stephen Frost, *The Inclusion Imperative*

