



**Basic Income Canada Network
Réseau canadien pour le revenu garanti**

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

**By: Basic Income Canada Network/
Réseau canadien pour le revenu garanti**

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RECOMMENDATIONS

1. That the federal government should protect and support the wellbeing of Canadians and their capacity to increase economic productivity by leading and funding the start and gradual development of a simplified, integrated national basic income security system that upholds the right to an adequate standard of living, with these elements:
 - (a) Immediate increases to security and adequacy to meet the urgent need among 18-64 year olds, by, inter alia: increasing benefit levels of *existing unconditional* income security measures like the Goods and Services Tax Credit; removing employment income conditions on other programs like the Canada Worker Benefit and folding it into the GST credit; delivering higher, restructured benefits on a monthly basis;
 - (b) Simplify, improve the adequacy of, and broaden access to the Canada Disability Benefit;
 - (c) Restructure seniors benefits to reduce the preferential treatment of high income couples and redirect resources both to the Guaranteed Income Supplement for low income seniors and to support younger generations through measures in (a);
 - (d) Remove restrictions on the Canada Child Benefit that exclude some children based on their parents' immigration status;
 - (e) Pursue other measures and sources of revenue that reprofile and consolidate programs, reduce complexity and inequality, increase efficiency (e.g., automated tax filing) and shift resources that favour the affluent who have abundant income security towards those who do not.

2. That the federal government establish a national framework to further build out a simpler, more efficient 'one-Canada' system that values everyone, reduces stress, supports communities and provides economic stability and stimulus by:
 - (a) Engaging related departments and interests (e.g., health, justice, jobs, AI, housing, environment), other orders of government and civil society, utilizing the large body of evidence available;
 - (b) Providing financial, technical and administrative support for initiatives and innovations that can contribute to good policy design and rapid, effective delivery of a more coordinated system.

CONSIDERATIONS

The federal government has an opportunity to energize and galvanize people across Canada by starting to deliver better income security along with a vision of hope, trust and solidarity. There is constructive power in people who believe in this country and have the capacity to contribute to it themselves.

Canada as a country has already committed to increase its military spending, on the assumption that money would be found somewhere because this is important.

Meanwhile, Canadian individuals and families are waging their own battles for a place in an unfriendly, risky and precarious economy. Finding money for them, urgently, is even more important. They are not only facing threats, they are already hit and suffering the impacts of tariffs and inflation.

There will be voices of privilege or hopelessness claiming our current challenges make this no time for progressive change but we should not bow to them; this is precisely the time for bold investments in people. The government needs to concretely show Canadians we are all valued in order to shore up trust and truly safeguard our sovereignty.

The basic income guarantee solution

Income is the leading determinant of health and wellbeing. It affects every part of our lives from the food we can afford to our stress levels and relationships, and to our ability to manage major transitional issues like those presented by AI and climate change. Inequality, poverty, and unpredictability are driving up costs to government as well as feeding societal discord, hopelessness, and polarization. This undermines wellbeing and Canada's ability to tackle big, wicked problems that require cooperation, like strengthening our economy and sovereignty.

Income security in unconditional form is a common denominator solution across sectors and thus can help meet current challenges and prevent problems from growing larger and more expensive.

A majority of Canadians are financially insecure, often living from one pay cheque to the next, unable to manage an unexpected expense. A Royal Bank of Canada poll in January 2025¹ found 55% of Canadians were feeling "financially paralyzed". The Financial Resilience Institute in February 2025² found 74% of Canadians were feeling financially vulnerable: 69% said money worries were causing them emotional stress; 45% said money worries were making them physically unwell; 49% said they were losing sleep at night over their finances. The market may offer income-earning opportunities but it provides diminishing security.

At the same time, some people are gaining greater income security by virtue of inheritance, most of it in financial assets³. It contributes to inequality which is now at a record high.⁴ A small number of powerful people and corporations have more money than millions of the rest of us who are carrying growing risks with shrinking rewards. While governments have done little to help, the non-profit sector is stretched beyond capacity trying to compensate as need grows and both volunteers and donors are declining significantly.⁵

Designing fairer, simpler income security and supporting human capacity are entirely feasible. Attaining these goals are political choices. They are also matters of human rights. The Report

¹ <https://www.rbc.com/newsroom/news/article.html?article=125971>

² https://www.finresilienceinstitute.org/wp-content/uploads/2025/05/February-2025-Final-Topline-Index-Report_April-142025.pdf

³ Investor Economics Household Balance Sheet Report—Canada, Investor Economics, 2019

⁴ <https://www.cbc.ca/news/politics/statistics-canada-income-gap-1.7586634>

⁵ [Statistics Canada's 2023 Survey of Giving, Volunteering and Participating](#)

of the landmark Basic Income Guarantee (BIG) Forum in Ottawa in 2024⁶, highlights broad support for pursuing positive solutions and synergies over silos, with a sense of urgency, using the available evidence and the building blocks that Canada already has.

A national basic income guarantee is both a bold and a practical public policy. It provides direct income to individuals and requires no behavioural conditions. It delivers benefits progressively so that those with the lowest incomes get the greatest help. People with additional income get less, and the highest income earners pay a little more and experience the security of knowing if anything goes very wrong in their lives, they'd get support too.

The Basic Income Canada Network (BICN) has detailed the principles behind a basic income and modelled options for Canada, with Option 1, a guarantee (income-tested refundable tax credit) model being the most feasible⁷. Recent PBO modelling shows that some modifications have potential to reduce costs while maintaining the effectiveness that is BICN's priority.⁸

The net cost of a basic income guarantee is not nearly as much as people may imagine because it has dual returns on investment. First, people are able to be more productive so they can contribute more to society and the economy, including tax revenue. Second, the need for other programs and services goes down, realizing savings in health care, the demand on food banks, and program responses to social ills like crime. In addition, some changes like improved physical and mental health happen very rapidly. Given our current economic and political instability, that's significant.

We have decades of experience showing that unconditional income guarantees work for seniors and families with children. There is ample evidence from programs and pilots here and around the world that it will work for 18-64 year olds⁹. The Canadian Centre for Policy Alternatives also analyzed the impact of income at the level of adequacy provided by CERB (an amount equivalent to BICN's benefit level) during the pandemic.¹⁰ Its findings for the working-age population echo those from the Ontario Basic Income Pilot¹¹ and BICN's Covid stories.¹²

BICN recognizes that governments in our federation must work together and involve civil society in the process of working towards such a goal. That will take time but no time must be wasted in starting. We support Bill S-206 before the Senate calling for a national framework but

⁶ <https://forum2024.ca/wp-content/uploads/2024/11/BIG-Success-in-the-Making-Doc-Eng.pdf>
<https://forum2024.ca/wp-content/uploads/2024/11/BIG-Success-in-the-Making-Doc-Fr.pdf>

⁷ https://basicincomecanada.org/policy_options/. Note all options meet the goals of reducing inequality (including gender inequality), increasing security into middle income brackets, and preventing poverty.

⁸ <https://www.pbo-dpb.ca/en/publications/RP-2425-029-S--distributional-analysis-national-guaranteed-basic-income-update--analyse-distributive-un-revenu-base-garanti-echelle-nationale-mise-jour>

⁹ See, for example, dozens of pilots in American cities showing a range of positive outcomes, <https://www.cbsnews.com/news/guaranteed-income-programs-basic-income-its-basic-documentary/>

¹⁰ <https://policyalternatives.ca/publications/reports/cerb-more-just-income-program>. Note that CERB was temporary and not a basic income but offers much learning for future design.

¹¹ <https://labourstudies.socsci.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf>
<https://basicincomecanada.org/wp-content/uploads/2021/04/BICN-Signposts-to-Success.pdf>

¹² https://basicincomecanada.org/wp-content/uploads/2021/04/Covid_stories_report_and_appendix_-_June_2020.pdf

the federal government can set that in motion on its own initiative, and use existing vehicles to immediately help people who need the help most. BICN also supports the recommendations for better income security through unconditional benefits as outlined in CCPA's Alternative Federal Budget, especially the Canada Livable Income pillar of income security.

The funding for a basic income guarantee is an important part of its design in order to ensure good results. There are many potential sources: better utilizing existing program resources by redesigning and reallocating; tax fairness measures, like more tax brackets or a wealth tax; and more innovative measures such as sovereign wealth funds (including technology wealth funds) similar to those used in other countries¹³, in order that accumulated wealth has public, not just private, benefit.

The status quo is not an option. BICN favours the government reaching a mature basic income guarantee as quickly as possible because the benefits returned will be faster and larger. We want to see interim steps on the way also to be as bold as possible towards an acceptable level of adequacy. There is no status quo because a failure to improve will ensure a bad situation gets worse.

If a job doesn't provide enough income, people work more, jeopardizing health and family life. If that is not possible, there is little to stop the fall onto one of the 13 different social assistance regimes across the country. SA generally provides a fraction of what anyone would consider an adequate standard of living in Canada. SA is highly conditional, humiliating, and stigmatizing, although some provinces and territories have made some steps to make it less so.

SA tends to operate on a paternalistic, colonialist paradigm that is especially damaging for women, Indigenous people and racialized groups. These notions, based on control and deservedness, work against Canadian commitments to uphold human rights, especially to dignity and an adequate standard of living, and specific goals around truth and reconciliation, gender and racial justice, and poverty reduction. This paradigm is especially damaging to mental health.

There are hundreds of other small programs and services across the country with different rules and qualifying conditions that people are forced to find and cobble together to get by. The complexity is outrageous. The time, bandwidth and administration cost for workers and clients is enormous, a huge lost opportunity cost. Charities get grants based on the number of clients they serve - perpetuating the proliferation of downstream costs that can't solve the underlying problem of lack of secure, adequate income. Things don't actually get better, just more expensive.

A basic income will increase productivity and wellbeing, decrease operating costs generated by low income and improve the efficiency, fairness and effectiveness of our income support programs.

The magical thinking that sustains the status quo or tinkers around its edges undermines Canada's prosperity and capacity to build solidarity. A national basic income guarantee is both bolder and better grounded in reality.

BICN is a nationally-registered, non-profit organization and affiliate of the Basic Income Earth Network, a charity registered in the UK. See more at basicincomecanada.org.

¹³ <https://www.commonwealth.ca/blog/trillions-lost-why-canada-needs-sovereign-wealth-funds-now>