A Guaranteed Annual Income to Grow Our Economy (by Growing Our People)

by

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Abstract

The implementation of a national guaranteed annual income plan has been a controversial topic for decades. Much of the research and certainly most of the debate, revolves around the concern of decreased work incentives causing labour shortages and economic decline. This paper strives to argue that a guaranteed annual income plan would in fact improve the economy over time, by investing in citizens' dignity and personal growth. Evidence is offered with examples and research from past income pilot projects and experiments, personal narratives, as well as reviews of current and past social systems and literature examining the social determinants of health. I conclude that providing people with financial support through difficult periods or during times of personal transition, leads to decreases in poverty and crime, increases in high school graduations (and potential for people of all ages to pursue new career aspirations and/or educational goals), simplification or elimination of current ineffectual and often stigmatized social systems, better childcare, and overall improved mental health. With income support and its systemic change, we can achieve improved wellness for every Canadian.

Acknowledgements

Shelley Smith is a white settler born and raised in Winnipeg, Manitoba, located in Treaty No. 1 Territory—the traditional lands of the Anishinabe (Ojibway), Ininew (Cree), Oji-Cree, Dene, and Dakota, the Birthplace of the Métis Nation, and where water is sourced from Shoal Lake 40 First Nation.

The University of Manitoba campuses are located on original lands of Anishinaabeg, Cree, Oji-Cree, Dakota and Dene peoples, and on the homeland of the Métis Nation. We respect the Treaties that were made on these territories, we acknowledge the harms and mistakes of the past, and we dedicate ourselves to move forward in partnership with Indigenous communities in a spirit of reconciliation and collaboration.

I would like to thank my fellow classmates in the first cohort of the Master of Human Rights program at the University of Manitoba, whose vast experience and insight, empathy and intelligence has taught me greatly.

Sincere thanks to my academic advisor, Dr. Lara Rosenoff Gauvin, for her unwavering support—personal, professional, and academic. Her work in art and anthropology, land preservation, transitional justice, and human rights, are an inspiration. She practices what she teaches—changing the world for the better— through her innovative and engaging teaching style.

Finally, I would like to acknowledge the remote communities in Canada still without access to promised basic human rights, and to all others currently experiencing systemic discrimination.

Dedication

To Darren Bouchard, for your never-failing encouragement. I endeavour to make you as happy as you've made me. Thank you, my constant supporter, advocate, ally. In high tide or in low tide.

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Introduction

> When wealth is passed off as merit, bad luck is seen as bad character. This is how ideologues justify punishing the sick and the poor. But poverty is neither a crime nor a character flaw. Stigmatise those who let people die, not those who struggle to live. (Kendzior, 2013)

In early 2020 the COVID-19 virus swept across the world leading to the worst global pandemic in over 100 years. When the Canadian government instructed all businesses and schools to transition to remote methods, and certain industries to close their doors to the public, many people lost their jobs or had their hours significantly reduced. The federal government was quick to roll out the Canada Emergency Response Benefit (CERB), which provided $1,000 biweekly to everyone affected, and the nationwide response was massive. Vast numbers of people were suddenly making much more money from the CERB while not working, and many began questioning the necessity of a living wage. To receive $26,000 annually is still considered living well below the national poverty line, yet the government provided it rather freely during an emergency, and the positive impact it had on many must be recognized (Razavi & Le Couteur, 2020).

People whose work was reduced and those working from home gained new recognition of the value of their time, and how they preferred to spend it. Appreciation grew for additional family time and the time gained from the elimination of long commutes. Suddenly there was freedom to explore new hobbies and spend time outdoors or on self-care. Many people realized they had been working to live, but not living (Lu, 2021). A different view on personal growth

and dignity, even amidst the suffering, uncertainty, and tragedy caused by the pandemic, emerged.

Thinking alongside these emerging renewed concerns regarding income, growth, and dignity, I consider Article 1 in the United Nations Universal Declaration of Human Rights which states that: "All human beings are born free and equal in dignity and rights" (UN General Assembly, 1948). This paper will explore past findings from experiments concerning guaranteed annual income programs and consider the effects from a rights and dignity-based approach. Although research on the matter has generally been based on the economic impacts and assumed disincentives towards work (Hum & Choudhry, 1992; Hum & Simpson, 2001; Young & Mulvale, 2009), the substantial number of improvements in sociological indicators—mostly overlooked at the time—call for further investigation. Bringing rights and dignity into conversations about guaranteed annual income, I argue that a guaranteed annual income plan would in fact improve the economy over time, by investing in citizens' dignity and personal growth.

I first explain what led to my interest in the subject by describing my practicum at MARL. I then review my methods and framework, and turn to exploring income security as a social determinant of health. Presenting a case study that elucidates this, I also draw on historical examples to support, and conclude that a guaranteed annual income would grow our people and therefore grow our economy. How would our country flourish if people were fulfilled, if they could follow their dreams and realize their potential?

Transformation through Education:

A Practicum Placement with The Manitoba Association for Rights and Liberties

To fulfill the requirements of the Master of Human Rights degree at the University of Manitoba, practicum students must complete a certain number of hours assisting a non-profit or government organization (preferably of their choosing). I personally believe that the way to drive positive change in the field of human rights is through education, and so was especially thrilled to be placed as a practicum student with The Manitoba Association for Rights and Liberties (MARL) in the spring of 2021. While researching new content on poverty and transferring MARL's existing materials on the topic to online accessible formats, I first became aware of the fascinating basic income experiment conducted in Manitoba in the 1970s (MINCOME), ultimately leading to the idea for this paper. I had the opportunity to create a one-page informational handout about MINCOME that MARL can provide to students when discussing poverty and homelessness in Manitoba, to facilitate thoughtful discussion on the pros and cons of implementing such a policy nationwide, and share imagined possibilities.

The Manitoba Association for Rights and Liberties (MARL) is a Manitoba non-profit organization based in Winnipeg, Manitoba (Treaty 1 Territory). For over 40 years, MARL has worked to promote and defend rights in Manitoba in many different capacities. Working towards their vision of a society where diversity is valued, liberties are respected, and rights are lived; the staff and volunteers at MARL create vital and engaging educational materials for both students and businesses. By facilitating workshops, supplying informative learning resources and tools, and providing a platform and safe space for discussion; MARL helps people to know and understand their rights, to advocate for others, and sometimes to reconsider preconceived thoughts or notions.

Methodology and Theoretical Framework

Using existing literature on current and past social systems, and North American trials and experimentations exploring guaranteed annual income (GAI) plans, I investigate here the possible outcomes for Canadians as a whole to benefit from such a plan, through a human rights lens. Some of the best data from these past experiments was collected decades ago, and so via document searches I gathered descriptive data through observations that relied on secondary quantitative and qualitative data (collected by others). Further, I include one Canadian couple's story of struggle and bias within the Canadian social systems in order to enrich the paper with experiential nuance. I believe that ethnographic storytelling and personal narratives are essential to community-driven change.

The COVID-19 pandemic quickly brought many human rights issues to light, and Canada was no exception. Access to technology by way of computers and internet hindered access to education. Overcrowding in prisons and jails was addressed, as well as inmates' restrictions to alcohol-based hand sanitizers. But what I found to be the most interesting issue to come to light during the first stages of the pandemic was the response to the Canadian government's roll out of an emergency income fund called the Canada Emergency Response Benefit (CERB). It was this reaction to the CERB and the COVID-19 pandemic which drove my interest in the topic of a guaranteed annual income in Canada, and paired with the practicum placement at MARL, led to this research.

The volume of data available on this subject matter in Canada would be far less if not for the extensive (separate) research efforts of two Canadian professors. Evelyn Forget is now a Community Health Sciences professor at the University of Manitoba, but she was a psychology student in Toronto when the MINCOME experiment first launched in Manitoba in 1974.

MINCOME was a guaranteed annual income experiment that ran for five years in the 70s and ended due to political changes and government prioritizations, but most unfortunate was that the findings from the experiment were never studied nor published. Further details about MINCOME will be discussed later in the section called *Historical Attempts and Findings*. In 2011, however, Evelyn Forget, a scientist and economist, would study and publish the findings from MINCOME, led by her interest in promoting a basic income policy, and her research focus on health, healthcare costs, and poverty.

David Calnitsky is currently a professor of Sociology at Western University in London, Ontario, Canada. His research interests include work, poverty, inequality, social theory, economic sociology, social policy, and gender. His contribution to the topic of basic income is broad and invaluable, and encompasses numerous issues such as the effects on the work force, employer response, impacts on crime and violence, welfare and stigma.

Dignity and Stigma

The United Nations (UN) was founded following the tragic events of the Second World War, in effort to prevent future human rights atrocities and to maintain international peace. In 1948, the UN issued the Universal Declaration of Human Rights (UDHR), listing the rights and freedoms of all human beings. Although the UDHR is not considered a legally binding document, those nations who are members of the UN are expected to uphold and adhere to the rights and freedoms listed within it. The very first point listed, Article 1, states “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood” (UN General Assembly, 1948). Oftentimes we use the term dignity when discussing the issues faced by lesser

privileged individuals, but what does it really mean? There are many dictionary definitions to explain the somewhat difficult concept of dignity, but for the purpose of this paper, I use the following: every person is worthy of respect.

Sociologist David Calnitsky has done extensive research on the topic of GAIs, one of his particular areas of focus has been on stigma associated with social assistance and welfare programming. He affirms that current programs are marked by deep social stigmatization, forming a distinction between those considered deserving and those considered undeserving, and uses the example of successful social assistance programs for the elderly, who are seen as "deserving" (Calnitsky, 2016, p. 64). He believes by obscuring or removing these distinctions we would benefit from improved social solidarity (2016, p. 65). When studying the findings from the MINCOME experiment, he discovered that income recipients from the program reported that they did not feel stigmatized by it, and the community's reception was that the benefit was "pragmatic, not moralistic" (2016, p. 64). In 2019 Calnitsky stated, "As a practical program, Mincome participation did not appear to signal a person's moral worth" (p. 27).

In her 2021 article, Lynn Lu discusses how the pandemic has led to a renewed interest in a Guaranteed Annual Income in the United States (U.S.), although she feels strongly that the program should be paired with a federal job guarantee (JG), simply—ensuring a living wage for all. Similar to the U.S. in the initial stages of the pandemic, Canada relied on its "essential workers." Besides our health care professionals, these are the citizens who ensured our survival, yet often go without health benefits and insurance offered by their workplaces. Lu also talks about systems which stigmatize and discusses the benefits of eliminating eligibility verification and reporting obligations. She shares the story of a philanthropy endeavor conducted in California in which recipients received $500/month for 18 months, with no eligibility

requirements. They found that income volatility had led to prior psychological stress, the benefit therefore improved participant's lives by making them less stressful, and it allowed some to further enable passions and pursuits (Lu, 2021, p. 722).

A GAI would eliminate punitive rules that stigmatize, such as losing disability supports upon returning to work. In New York in the 1990s, stringent rules for social assistance led to thousands of students dropping out of college and accepting low paying jobs, even though economic forecasts for the city showed the increased need for workers with post-secondary education (Lu, 2021, p. 719). During the pandemic, however, New York implemented changes to some of the more punitive rules of their existing social support systems, for example, they ensured disability benefits would remain in place even if one accepted new employment (Lu, 2021, p. 725). A guaranteed annual income would likewise eliminate the stigma that comes with welfare dependency and assist in restoring dignity, and as I explore next, is therefore an important social determinant of health.

Income Security as a Social Determinant of Health

The World Health Organization defines social determinants of health as "the non-medical factors that influence health outcomes. They are the conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life" (World Health Organization, 2022). These forces can be government policies, systems, social norms or expectations, and can have both positive and negative affects, thereby increasing feelings of inequity for many. In simplest terms, they are food, shelter, health care, economic stability, education, and community. Interestingly, the Canadian Public Health Association (2022) now lists the following 14 social determinants of health (SDH) as: Income and Income

Distribution, Education, Unemployment and Job Security, Employment and Working Conditions, Early Childhood Development, Food Insecurity, Housing, Social Exclusion, Social Safety Network, Health Services, Aboriginal Status, Gender, Race, and Disability. Although this paper will focus on the health impacts relating to income and income distribution (further referred to as "income security"), it should be noted that the implementation of a GAI would undoubtedly have positive effects on a number of these other SDH. For example, individuals would have the option to spend money on education, or mental health care. People could pick and choose where to work or who to work for, without being subjected to poor working conditions or unfair practices. Parents could afford to stay home with their children during critical developmental years (or for however how long they choose), rather than placing them in costly childcare.

Evelyn Forget stated in 2011, "It is well-known that poverty is one of the best correlates of poor health. It seems reasonable to ask whether a GAI, by reducing the prevalence of poverty in the community, might lead to better health outcomes and help to restrain the growing costs of treating poor health" (p. 284). I discuss the case for preventative versus reactionary medicine further on in this paper, and use it as a key factor in my argument. In 2013 Forget also listed the following four ways she expected a GAI would improve health outcomes: through the reductions of poverty, inequality, and risk, and through "spill-over effects"—when the behaviors or decisions of one society member have an impact on others (p. 925). Also in 2013, the Canadian Medical Association (CMA) issued a report titled *Health Equity and the Social Determinants of Health: A Role for the Medical Profession,* in which the CMA recommended that the federal government: recognize the impacts of SDH, reduce financial barriers to medical care, implement ways to improve social and economic status for all Canadians, increase efforts to educate the

public on SDH, and carry out annual data collection and reporting (p. 3). A GAI would satisfy the first four recommendations, and provide the data collection means as suggested in the fifth. The CMA later issued a report entitled *Health care in Canada: What makes us sick?* In which they recommend that "the federal, provincial and territorial governments give top priority to developing an action plan to eliminate poverty in Canada; and the GAI approach to alleviating poverty be evaluated and tested through a major pilot project funded by the federal government" (2013, p. 6).

What is Guaranteed Annual Income?

There are many different names by which to call the concept discussed in this paper: Guaranteed Annual Income, Basic Income, Minimum Income, Negative Income Tax. These are all terms for universalistic income maintenance programs, but in the interest of consistency, this paper will primarily use the expression Guaranteed Annual Income, or GAI. A guaranteed annual income is an income support program that provides a basic minimum income and sets an income floor for every resident of a country. David Calnitsky (2019) provides an excellent definition: "basic income refers to a monthly payment sufficient to bring all residents to a decent, culturally respectable standard of living" (p. 23). Simply, no resident would ever fall below a minimum income level due to circumstances beyond their control, such as job transition, injury, illness, disability, etc. And in my imagined collective society filled with enriched people spending more of their time doing what makes them happy, a GAI could supplement lifetime dreams and goals. Individuals could afford to go to school or pursue artistic endeavours, there would be a power shift between workers and businesses, with workers receiving fair wages and the ability to turn down unsafe or unfavorable employment.

Several countries have tried to implement this type of plan or predict the outcomes and repercussions through experimentation. So too have there been vast variations in the design and conditions of such programs. For example, some intended to issue benefits when one's income falls below a certain level, while others have considered offering the minimum amount to every individual regardless of their income, to do with it what they like. Most proponents of a GAI in Canada maintain that the funds for implementing such a program would come from eliminating several existing ineffective social programs that only benefit some due to their specific requirements (Forget, 2011). Most opponents, on the other hand, argue that a GAI would create a culture of laziness, people would be unmotivated to work, and the economy would suffer greatly (as discussed in Calnitsky, 2019). Sociologist David Calnitsky (2019) feels that one of the positive impacts of a GAI would be a shift in the balance of power from the business to the worker, however "a social policy that dramatically expands the autonomy and power of working people in capitalist labor markets is an unlikely candidate for business endorsement" (p. 27).

Historical Attempts and Findings

There has been interest in guaranteed annual income plans for nearly 60 years. In 1964 U.S. president Lyndon Johnson declared a "War on Poverty" and began looking into implementing a negative income tax—whereby each family would receive a cash benefit (less the income they earn) ensuring that they would never receive less than a base amount. It is the same concept as a GAI, and in 1968 the United States began four large-scale social experiments, primarily to test concerns over work disincentives. In 1967 in its own attempt to combat poverty, Canada introduced the Canada Assistance Plan (CAP), which was a cost-sharing program between the federal and provincial governments for social programs. In 1970, the Canadian

Department of National Health and Welfare acknowledged the potential for a GAI to reduce poverty, but recommended awaiting the results of the U.S. studies. In 1971, the Special Senate Committee on Poverty released a report recommending that a GAI be implemented on a uniform, national basis, financed and administered by the Government of Canada. Instead, the federal government made changes to Unemployment Insurance and Family Allowance, which resulted in accusations by provincial jurisdictions of federal intrusion with poorly planned and uncoordinated programming (Simpson & Hum, 2001, p. 79).

The U.S. experiments were conducted between 1968 and 1972 in New Jersey, Pennsylvania, Indiana, North Carolina, Iowa, Washington, and Colorado, and examined different factors such as the effects of a GAI on single parents, and the various effects on those in rural areas versus urban populations. When Richard Nixon replaced Lyndon Johnson in 1969, interest in a GAI in the U.S. waned while support for the proposed Family Action Plan (FAP) grew. When opponents accused the citizens participating in the experiments of double-dipping and suggested they be charged with fraud, the trials came to an end in 1972 (Forget, 2011, p. 287). At that time the data was mostly dismissed by policy makers, however it did convey that "young people with a basic income were more likely to stay in school; in New Jersey, kids' chances of graduating from high school increased by twenty-five per cent" (Surowiecki, 2016, p. 2).

Some publications from the findings of the U.S. experiments stated a correlation between families who received the basic income as having an increased divorce rate of 40-60% (Groeneveld, 1980). It was suggested that with the security of a GAI, women "could afford" to leave their husbands. In fact, the data supporting these hypotheses would be rejected as a statistical error years later (Forget, 2011, p. 286). Elizabeth Clearwater and Carol Harvey did extensive research on the topic of marital satisfaction in low-income homes to investigate the

importance families and individuals place on the financial aspects of their lives, and found that the best predictors of marital satisfaction for couples were companionship, money management, and husband's occupation (1988, p. 190). Interestingly, Saud Choudhry and Derek Hum found that although previous research on the link between GAI and divorce focused on a woman's ability to "fend for herself" and her level of independence on her spouse, the researchers suggest the opposite view to be true: that improved economic stability in fact strengthens a relationship (1995, p. 263).

In 1974, the Canadian government, in partnership with the Province of Manitoba, conducted their own GAI experiment. It was called the Manitoba Basic Annual Income Experiment (most commonly known as MINCOME), and what made it different from the U.S. experiments was that it served as the only saturation site. The income recipients in the United States were scattered across states and chosen by random selection, whereas MINCOME was conducted in the small town of Dauphin, Manitoba, and eligibility was offered to every community member, thereby gaining it the designation of a saturation site. David Calnitsky and Jonathan Latner state "Mincome simulated a delivery and administration system where people's experiences would resemble, at the community level, a nation-wide program" (2017, p. 376). It was believed that the experiment would lead to the rollout of a universal income program, parallel to universal healthcare, that would revolutionize the ways in which Canadians pay taxes, receive benefits, and earn income (Forget, 2011, p. 287). However, years of poor economic growth and high unemployment led to power shifts at both the federal and provincial levels, and MINCOME came to an end in 1979. Not only did the experiment not lead to a universal basic income program as anticipated, but the data was stored away with neither review or nor publication.

Decades later, Evelyn Forget, an economist at the University of Manitoba decided to do just that. When she reviewed the stored material, she discovered that hospitalization rates in Dauphin fell by 8.5%, due primarily to reductions in accidents, injuries, and mental health diagnoses (2011, p. 299). She also discovered that significantly more teenagers completed their grade 12 education than in recent years in Dauphin, likely due to the necessity of youths helping to provide in low-income families, through employment or working on the farm; and that MINCOME's impact on work rates were that they had barely dropped at all (p. 293). Derek Hum and Wayne Simpson would later affirm, "The reduction in work effort under Mincome was modest: about one per cent for men, three per cent for wives, and five per cent for unmarried women" (2001, p. 80), with Calnitsky and Latner further offering "participants who provided reasons for work withdrawals in the qualitative data typically cited care work, disability and illness, uneven employment opportunities, or educational investment" (2017, p. 391). Reduction in work effort was negligible, and those who did accept income and reduce work did so for reasons such as disability or education. Calnitsky and his colleague Pilar Gonalons-Pons also researched changes in crime rates during MINCOME, and found that "relative to other Manitoba towns, rates of property crime and violent crime in Dauphin declined during the Mincome period, and afterward returned to their prior upward trend" (2020, p. 788).

Following 1982's infamous "triple-double" (double-digit inflation, double-digit unemployment, and double-digit interest rates), in 1985 the Royal Commission on the Economic Union and Development Prospects for Canada advocated for a Universal Income Security Program. However, Brian Mulroney's Progressive Conservative government implemented the Commission's other major recommendation—a Canada-U.S. free trade agreement—and ignored the UISP (Simpson & Hum, 2001, p. 81). In 1994 when interest in a Canadian GAI sparked yet

again, Canada's Minister of Human Resources Lloyd Axworthy issued a report arguing against it on the grounds of cost and effectiveness, and supported further changes to unemployment insurance and social assistance (Simpson & Hum, 2001, p. 81). As part of these changes, the Child Tax Benefit was introduced in 1998.

Over the years interest in the GAI concept ebbed and flowed along with political party shifts, and in 2017, Ontario launched its own basic income pilot project. Peter Hicks suggests the renewed interest was caused by "a deep desire to make things better, in the lack of progress to date in fighting poverty, and in frustration with the inability of existing policy tools to get results" (2017, p. 1). The Ontario experiment randomly selected 4,000 low-income households from the Hamilton, Thunder Bay, and Lindsay areas who would receive monthly payments with no-strings-attached. The annual amount worked out to $17,000 for an individual, $24,000 for a couple, and persons living with disabilities were eligible to receive an additional $500 per month ($6,000 annually). For each dollar of employment income earned, the benefit was reduced by 50 cents, and for payments received from Canada Pension Plan and Employment Insurance, the GAI benefit was reduced dollar-for-dollar. Each province has what is called a Low-Income Measure (LIM), which means an income threshold substantially below what is typical within that society. As part of the Ontario basic income experiment the amount that recipients received was only 75% of the Ontario LIM, and yet it still provided a significant increase over current social assistance rates (Pasma & Regehr, 2019, p. 48). The NDP leader at the time Andrea Horwath wondered why the government set the basic income amount below the poverty line: "I'm very, very worried that the government puts a pilot project in place that doesn't even meet the basic (needs) of people" (Monsebraaten, 2017).

The Ontario pilot was slated to last for three full years; however, upon their election to power in 2018 Doug Ford and the Progressive Conservatives cancelled the project abruptly, despite having made campaign promises to see the project through to completion (Pasma & Regehr, 2019, p. 49). The Social Services Minister at the time, Lisa McLeod, stated that the decision to end the program was made because it "was failing to help people become independent contributors to the economy" (Gollom, 2018). When the pilot was announced in 2016 it was meant to determine whether a streamlined approach to delivering income support improved health, education, and housing outcomes for vulnerable workers and those on social assistance, yet once again the primary matter concerning the government ultimately came down to one's "contribution to the economy." Interestingly, the very short pilot did produce the following valuable findings: significant decreases in stress, anxiety, and other mental health issues, improvements in housing and management of family, employment, and community responsibilities, and more than half of respondents said they bought food they wouldn't have otherwise been able to afford (Pasma & Regehr, 2019, p. 49). Interestingly, 48% of participants reported a reduction in alcohol consumption, and 56% of tobacco users either cut back or quit (McDowell & Ferdosi, 2020, p. 59). "What became clear is that as people moved to some stability their health improved, their mental health improved, their outlook on life improved. You have to believe that actually made them more employable" (Wayne Lewchuk in Taekema, 2020). Chandra Pasma and Sheila Regehr's 2019 report on the Ontario pilot project is a fascinating one that encourages the reader to think about the human dimension when considering a GAI, in addition to concentrating on "facts and figures". Their following statement is perfect in its entirety:

> It is amazing how quickly many people's lives turned around for the better and what plans they were working towards for the future. It is wrenching to see how anxiety and despair returned when the cancellation of the pilot was announced. (p. VIII)

Case study

As Canadians, many of us are proud of our country's universal healthcare, and purported peaceful nature, and multiculturalism. However, most Canadians probably don't recognize how flawed the current social systems are, until they need to rely on them. What follows is the true story of a Canadian couple in their 40s, living in an urban centre in the Canadian prairies, who fell through the cracks of our oftentimes ineffectual social assistance programs and who have struggled to break out of the cycle of poverty for over two decades. I cannot disclose the circumstances of the telling, but have permission to share this story, and all names have been changed for privacy.

Matthew and Jodi moved in together in early 2001, into an average one-bedroom apartment in a nice area of the city, for $320/month. They had both graduated from high school a few years earlier, had worked full time jobs continuously since, and were now both employed by the provincial government making fairly competitive salaries for people in their early 20s. One day while she was halfway through her shift at work, and without any prior sign of illness, Jodi passed out and fell to the floor unconscious. She woke up in the hospital and was informed she was brought there by ambulance, and hospital staff were still trying to determine what happened. After many days and many tests, she was told she would need heart surgery—she had passed out because of an excess of fluid in her lungs, and she would be placed on the waiting list for heart surgery with highest priority. Matthew and Jodi met many cardiologists and surgeons who felt

strongly that Jodi should not work or do anything strenuous while waiting for surgery, but the couple were confident that the procedure would be given high priority and they would be able to return to their normal lives in no time.

They were then shocked to discover that their government jobs did not provide either short-term or long-term disability, although both admitted they had never considered that detail prior. With no assistance offered by her employer, they looked into other social service options. While on a waiting list for surgery, she was still considered employed, so did not qualify for unemployment insurance. Canada Pension Plan (CPP) offers disability payments based on a percentage of what you have already contributed into the plan, but it was determined that while waiting on emergency surgery Jodi was not considered disabled. The only financial assistance she was able to qualify for was welfare, and eventually she received payments of $120/month. I wish to draw the attention of the reader to the following fact: the only assistance she could receive at the time was $120/month when her rent was $320. Had she not recently moved in with her partner, she would not have been able to provide for herself during this serious health crisis, and likely faced homelessness.

Jodi was considered high risk, placed on the heart surgery waiting list as a high priority, and advised by all medical professionals to rest easy until then—but two years later she was still waiting. Out of frustration towards her provincial healthcare system and a desire to regain control of her life, she made phone calls to other provinces and arranged to have her surgery elsewhere. Because she was electing to go elsewhere, and was not considered a child, her home province resolved to pay only for Jodi’s travel expenses and medical needs, but not for any family member to attend. Two months later she travelled alone and received her “emergency surgery.”

Shortly after returning home and spending some time recovering, the government entity that they both worked for announced they would be restructuring, and laid off thousands of employees, including Matthew and Jodi. They collected unemployment insurance (55% of former income) for a short period of time. Both were able to find full-time jobs, and life appeared to return to normal for a while. They had lost three years of one spouse's income, and had no savings whatsoever, but they had made it through.

In this city at the time, rental agencies were legally permitted to increase rent amounts by no more than 1.5% annually. However, taking different factors into consideration such as vacancy rates, average rent prices, inflation, and completed or proposed building renovations, rental agencies could request exceptions to this rule and have higher increases approved. Between 2001 and 2005, Matthew and Jodi's apartment owners were able to get annual rental increases of between 11% and 12% approved every year. They were now paying $550/month for the same one-bedroom apartment they were paying $320 for four years prior (rather than $340, had the rent raised 1.5% annually).

In 2005, Jodi began attending classes at university, her own health scare having prompted a newfound appreciation for those in the medical field and a deep desire to help others. Her plan was to do a four-year degree in her home city, then attend graduate school out of province, followed by obtaining a high-paying job within a school or hospital working in the field of rehabilitation. Throughout this time Matthew worked full-time jobs within different trades and manual labour, Jodi worked part-time while attending classes full-time and completed her four-year degree in five years.

They had caught a break in 2008, when Canadian banks were offering zero-down payment mortgages, and bought a small home in a somewhat undesirable neighborhood. Jodi

was halfway through her undergraduate degree; they were nearing age 30, and had no personal savings or retirement savings, no credit, and no assets in their name. They applied for the mortgage and were surprised and relieved to find they were approved; they began making monthly mortgage payments in the same amount as their previous rent.

Shortly after they moved into the house, Matthew started to show signs of a concerning health problem. He continued working full-time, while meeting with different doctors and specialists. It would take nearly two years for him to be diagnosed with a chronic autoimmune disease. On Jodi's graduation day in the summer of 2010, they received a call that Matthew's first of many surgeries was scheduled for the fall. Although Jodi had been accepted into the graduate program of her choosing, it was located in the United States, and it had become obvious to the both of them that Matthew was going to need help for the foreseeable future, both financially and in a caregiving capacity. Matthew had supported her for three years while she waited for and recovered from open heart surgery. She was not going to move to the United States for three years while he was in the beginning stages of his own health crisis. Jodi took a full-time job with the company she had been with part-time throughout her undergraduate degree, and Matthew's first major surgery took place in the fall of 2010 as planned.

What was not planned, however, was the path their lives would take over the following ten years. Sadly, many unexpected problems and complications arose during Matthew's initial surgery, and everything they were told to expect went out the window. His planned hospital stay of two to three days turned into two weeks. His expected recovery time of four to six weeks became three to four months when his incision became infected and he required months of home care to treat it. Note: home care is a free service provided by the government, which allows

individuals who need assistance with activities of daily living or medical care to receive it while remaining in the comfort of their own home.

This first surgical procedure and his complicated recovery from it would be an indication of how Matthew's disease would affect their lives in unexpected ways for years to come. His bad days would be filled with extreme pain and discomfort, blinding headaches, and inevitable sleeplessness. His health continued to decline, regardless of the many surgical procedures he endured and dietary changes they attempted. He would lose and gain drastic amounts of weight, experience painful swelling in his extremities, and was admitted to hospitals regularly for pain management.

Matthew had been working a full-time job with a small local company when he took unpaid time off for his first surgery in the fall of 2010, expecting to go back within six weeks. He didn't end up returning to the workforce for over ten years— having been unofficially let go from that employer when unable to return to work after the first six months off. He did not have any type of disability insurance, and the only compensation he could apply for was CPP disability. In most cases, the benefit you receive is based on the amount of your lifetime contributions; meaning the less you worked, or the less you contributed to CPP, the less your monthly benefit would be. When Matthew became approved for CPP disability payments at age 33, he had only been paying into the plan for 15 or 16 working years. His monthly payments were $600, which was $100 less than their mortgage payment. Again, I want to stress the importance of the following: not only did they have an incredibly low mortgage payment for the time, which was approximately equal to the price of a one-bedroom apartment, the ONLY financial support Matthew qualified for didn't even cover the cost of his housing.

For ten years, they sought help from multiple medical professionals and rehabilitation specialists, attempted traditional Chinese methods and naturopathic remedies, and requested advice from doctors and nutritionists regarding dietary changes. Generally, the advice they received was that there was no research to support the idea that dietary changes had any impact on this particular autoimmune disorder. The overwhelming advice from medical professionals was to take vast amounts of immunosuppressant medications and steroids (accompanied by numerous distressing side effects), schedule invasive surgeries which took months to recover from when needed, and keeping the option open of removing the faulty parts altogether at any given time.

Through friends they came to learn about a very restrictive diet that sounded like it had potential to help. The diet didn't allow for Matthew to eat any dairy, grains, sugar, or processed foods, and so they had to relearn how to bake breads and cookies, etc., from nut flours. They learned how to ferment yogurt and pickle vegetables, and the majority of their meals were made up entirely of fresh produce and proteins. In a relatively short period of time, they began to see an improvement in Matthew's health—without a doubt diet had a direct impact on his condition. His specialist would later go on to discuss his case specifically and his success with dietary changes at conferences throughout North America.

What disheartened them however, was that there were no systems in place to support them with this new endeavour. They were seeing vast improvements in Matthew's health, but due to the restrictive nature of the new diet, they were having to grocery shop multiple times a week, spend hours preparing nut-based baking and dairy-free probiotics, and their monthly grocery costs had more than quadrupled. It is well known that eating healthy and buying fresh food is more expensive than purchasing processed foods, as well we have already discussed the

relationship between poverty and health. Unaffordable access to healthy food is contributing to the vicious cycle of poverty and illness.

Canada's tax system has what is called the Disability Tax Credit (DTC), which is a non-refundable tax credit for persons with a disability if they fall under specific eligibility qualifications. Those who qualify for the DTC must have a certain number of severe impairments which affect their activities of daily living. Under these rules, thankfully Matthew was determined to be severely disabled and qualify for the credit. A non-refundable tax credit only allows an individual to receive a portion of the income tax paid to the government throughout the year back, so some individuals who are disabled and qualify for the tax credit may not even receive any money back. If they are not working, they are not paying anything to income tax, therefore the non-refundable tax credit would not benefit them. Fortunately, because Jodi was working and the credit is transferrable to the supporting spouse, they were able to utilize the credit. Interestingly, the tax system also allows *some* people with *some* dietary restrictions to claim them on their income tax as medical expenses. For example, a person with celiac disease can claim the difference in price between gluten-free food items and regular items, as a medical expense. Because Jodi and Matthew were just buying large amounts of natural foods, and more expensive items such as honey, coconut, nut flours and nut butters, as opposed to diet-specific and identifiable processed items with markings such as "gluten-free," they were unable to claim any of their new costs on their taxes.

Jodi worked full-time throughout this period, in the same field she worked while going to school, and made a moderate annual salary ($10,000-$15,000 more per year than the average provincial salary). Low-Income Measures (LIM) were discussed briefly in a previous section, but I want to point out that although Jodi's annual salary was above the provincial average, they

were still living below the LIM after tax. For reference, the Statistics Canada LIM for this province is currently just over $49,000.

After many years of illness and still unable to work, they learned about a particular form of physiotherapy that others had had success with, that only two or three specialists in the area offered. They couldn't afford the therapy, and so they implored CPP to help them pay for it. Matthew was in his 30s after all, they desperately wanted him to return to the workforce, and they assumed CPP would want that too. After a long and tedious process, the therapy was eventually approved, and with surprisingly quick speed Matthew experienced great improvements in his health. He attended every session and followed his therapist's instructions carefully and with precision, and the gains were impressive and noticeable. Unfortunately, when Matthew did not show 100% improvement and the ability to return to full-time employment within six months of the start of therapy, CPP ended their support swiftly and without any notice. Matthew's doctors and specialists all agreed that the progress was undeniable, the therapy was improving the quality of his life daily. However, due to the constraints and failures of the system, CPP ultimately deemed it unsuccessful and apparently preferred to continue to support his life as a disabled person rather than support his healing. His health had been steadily deteriorating for over five years, but he was unknowingly given a six-month deadline to make a full recovery. Systems which use punitive sanctions, such as those that revoke health care and disability supports when considering a return to work, stigmatize.

The medications he was administered costs thousands per month, and although they were covered by the provincial plan, they had extremely harsh side effects that took, on average, a week to recover from. Over time, Matthew and Jodi became unconvinced of the medication's effectiveness, and due to increasing concerns over the worrying side effects, Matthew inquired to

his doctors and specialists if there was a test or procedure that could be done to show the drugs were causing positive change for his condition. They were informed that a simple blood test could be conducted both before and after the drug was administered, with the purpose of determining change in white blood cell count, however the government would not cover the cost. The cost of the blood tests would have been only 25% of the amount of one month of Matthew's medications, which seemed to be doing more damage than good. By threat of a media frenzy, the government decided to pay for the tests, the first set of which were lost. Because the blood tests needed to be done both before and after the drug was administered (every four weeks in Matthew's case), when they were eventually notified that the results had been lost weeks had passed. After rescheduling and awaiting the results from the second attempt, months had passed before they received the notification—the drugs were not effective, in Matthew's case they were not changing the white blood cell count.

Many Canadians are fortunate to not have to worry ourselves with the expense of unexpected hospital bills, as do many of our neighbours to the south. The professionals that Matthew counted on had not encountered a patient who had had success dealing with their illness through diet, and so they did not recommend that course of action or have any advice or favorable notions towards it. I want to note that this set of blood tests is now provided within this particular province free of charge, as well, many patients have had positive results using those same medications.

This has been the true story of a Canadian couple who have struggled within the limitations and oftentimes obstacles and barriers of the current systems, but it is by no means a unique or exceptional story. I hope it illustrates both the intimate everyday obstacles people

encounter, as well as how a GAI would be well-poised to assist similar couples and individuals in the Canadian context.

The Added Expense of Being Poor

Oftentimes people who are struggling with poverty will hear things like “well you should just make more money” or “you must not be good at managing your finances,” but the frustrating thing for these individuals is that there are so many systems in place which hinder the ability to bounce back from a financial setback. Poverty is a vicious cycle, and many structures enforce that cycle. Persons with low income may be unable to benefit from certain cost cutting practices or be exempt from savings programs, as well they can be disadvantaged by organizations which punish and enforce penalties. What follows are examples of a few of the ways in which there can be added expenses to being poor.

A person living paycheck-to-paycheck may critically rely on the timing of their income. Due to unforeseen circumstances, or maybe even due to their employer’s negligence, not receiving their pay on the expected day could have dire financial consequences. Automatic payments that are scheduled to go through their bank account bounce and cause automatic NSF fees upwards of $45 each, and sometimes those $45 fees are charged by both the payment receiver and the bank. This type of event could be a huge setback, causing a shift in priorities and disruption of payments to other companies. Overdraft fees, late fees, fees to have services re-instated, further enforce this vicious cycle. Individuals with no credit or bad credit are forced to accept high interest loans. These are not bad people making poor decisions, they are people doing what it takes to survive.

Do you consider your time to be valuable? Do you ever consider the "cost" of time, or whether others are more or less privileged than you when it comes to the "value" of time? For those who need to deliberate how they spend every single penny, or rely on public services, the concept of time can feel very different. For example, grocery shopping on a tight budget involves strategic planning, calculated shopping, prepping, cooking. It takes a lot of time to do math in the store rather than grabbing whatever your heart desires. Another example is the added time and inconvenience, and oftentimes unreliability, of taking public transit. And for some lucky people, doing laundry is just a matter of throwing a load into your own machine in your basement, for others it is an entire day at the laundromat. When thinking about a happier, mentally healthier society, we cannot dismiss the importance of valuing every person's time, and their ability (or inability) to enjoy their own free time.

There are also obvious ways to save money, such as buying groceries in bulk whenever possible to store and freeze. However, it costs a lot of money to buy in large quantities. Individuals with low income often have to buy only what they need and can afford at the moment to get them through a short period of time. Spending hundreds in one go to ultimately save hundreds in the long run is not possible for many people. There is also the added expense of replacing poor quality items. For example, due to financial constraints, some people may only be able to shop for clothing at certain low-priced stores, thereby buying low quality items that shrink or fall apart. Although a pair of two-hundred-dollar shoes may be more supportive, made of better-quality materials, and need replacing less often, not everyone can rationalize that expense when prioritizing food and bills. As previously mentioned, some individuals may be struggling with no credit or bad credit, making home and/or car ownership impossible. Those that do have a vehicle may be stuck relying on an older model prone to never-ending repairs.

There are many more examples of the added expenses of being poor, but I will end with some critically important information about health. It is no secret that processed food is more affordable than fresh, healthy food; so the cycle of poverty can perpetuate a cycle of health problems and/or unfavorable habits and lifestyle choices. ‘Choices’ is perhaps not the ideal word. People struggling to survive often have to make very difficult decisions and prioritize in ways many cannot imagine. Although it would be nice to choose whatever one wants at the grocery store, or work on improving oneself through a class or gym membership, these ideas may not be realistic. Let us consider the cost of healthcare. Yes, in Canada we have universal healthcare which means we will not die in a hospital because we couldn’t pay our medical bills. However, universal healthcare does not cover eye exams and glasses, teeth cleaning and dental work, reasonable access to mental health services. Although there has been far too little research into the costs of preventative medicine versus reactionary medicine, the Institute of Medicine in the United States performed a study in 2006 entitled *The Healthcare Imperative: Lowering Costs and Improving Outcomes* and published their data, estimating that intervention methods for chronic conditions could produce annual savings of $45 billion USD (Yong et al., 2010, p. 235). The Canadian Medical Association reported that “those in the lowest income groups are three times less likely to fill prescriptions, and 60% less able to get needed tests because of cost”, further that “low income contributes not only to material deprivation but social isolation as well. Without financial resources, it is more difficult for individuals to participate in cultural, educational and recreational activities or to benefit from tax incentives” (2013).

Conclusion

It is fairly straightforward. Income security is a social determinant of health, and poverty and health are directly correlated. Reactionary medicine and methods are more expensive than prevention, and those with low incomes are less likely to participate in costly preventative measures. Although there has been relatively little time and effort put into realistic studies of a GAI in Canada, I show here that what research has been done reveals positive outcomes in critical social areas, and great potential for a national program. The findings have shown that with the security of basic income: more teenagers completed high school, hospitalizations decreased, mental health improved, alcohol and tobacco use decreased, crime and violence rates decreased. The case study of Matthew and Jodi further provided nuanced understandings of the experiential and cumulative effects of poverty and health issues, and invites imagining how a GAI could have practically shifted their experiences with a more dignity-based approach.

Early claims stating that basic income increased marital dissolution were later disproven, and further findings revealed that although financial security is one of the main contributors of marital satisfaction, implementation of a GAI did not increase divorce rates. Expressed concerns about cost, fraud, waste, and work disincentive have mistakenly diluted the potential for such projects (Lu, 2021, p. 706), even though the existing research clearly does not support these fears. Research has shown that few working individuals chose to stop after the benefit was offered, and the majority of those who did were ill, disabled, caring for others, or seeking education (Calnitsky, 2019; Lu, 2021).

There are many additional benefits that could potentially come from a GAI, besides the obvious reduction of poverty. A GAI could shift control from the business to the worker, giving them bargaining power and allowing them to be thorough in their job selection or to pursue

education. Widespread wage increases could ultimately result from this power shift. It is interesting to note that many large corporations are now struggling to find workers, ultimately due to the events brought on by the pandemic. It is not because people are not willing to work, people inherently enjoy feeling useful. It is because workers now know what they are worth, and we are already witnessing a shift in power (Calnitsky, 2019; Calnitsky, 2020; Lu, 2021). Now more than ever, Canada should seize the moment and conduct a thorough (and complete) GAI study, to better meet the needs of its people and re-envision public social supports. It is long overdue that a dignity and rights-based approach inform income security of Canadian citizens and residents.

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