

How does UBI not make sense?

Since the middle of March, Canada has gone through an unprecedented change. We have stalled our economy. We sheltered in place to flatten the curve of the biggest threat since the Spanish Flu. Waves of medical officials deemed it was our best chance. Millions were predicted to die if we did nothing. We experienced delays in toilet paper, rushed on the grocery store, started hoarding PPE, had to choose which services are vital, and which ones are just not essential. While all of this was going on our government was issuing orders to stay home and trying to scramble to figure out how to stop the economy from crashing. Nothing had ever been done on a national let alone worldwide scale before like this. At least not in modern times, It wasn't even imagined at this scale.

We have a government that has tried to push as much support out the door as quickly as possible, creating multi-billion dollar new programs such as the CERB, CEWS, and increases to GST rebates and Child Benefit boosts. Massive loan programs for small businesses, deferrals and costly measures that have yet to be unchecked, and no doubt about to be ripped apart by journalists and politicians for decades to come just to ensure everyone could pay their rent and buy food over an illness. What is wrong with this picture? WHY must we differentiate everyone based on every scenario under the microscope just to ensure someone else will pay for it.

Now our Prime Minister is admitting to how the programs were rushed, that there are cracks in the system. Has reminded the media and to all of our citizens You may need to pay back any program you may be ineligible later. If you received that CERB check, and were smart about it, you might have put \$200 away for taxes, but now, you have to take \$2000 out of those paychecks and pay CERB back now. Oh and your CERB has stopped, so now your stuck in a wage-gap. After taxes are taken off of your paycheck, you may get less than \$500 per week, perhaps just. Maybe your part time and only get 16 hours a week; now you got no CERB and you owe all that funding back. There is no choice because if your ineligible for CERB because you now had work income. You can't get EI now, which would have let you had some of it on a claw back no? Wait maybe that's 100% and has some legal exception that says your Wage Subsidy paychecks isn't eligible for partial earnings on EI. So how do you determine that from actual hours? How many hours do we need to qualify this winter now? It's going to get messy.

As these citizens appreciate that they have continued benefits, and jobs to go back too, they will be forced to claw back their own incomes because the government does waves and constantly changing programs. For those essential workers that worked instead, they see no benefit, yet they took the risk to keep going and not face a cut off and unemployment with no benefits. We could have done so much better.

We are further dividing our less fortunate by creating program after program that is designed to eliminate each other. We say that we can't afford a UBI or program similar to it, or it's a disincentive to work. Yet, we feel more comfortable with individualized programs because the numbers are smaller.

We're not talking about eliminating every social program out there with the mention of a UBI, we're talking about eliminating the need for 3 governments to decide how much each person is entitled too to survive, and how they are going to claw back their funds to balance their budget better next year. Instead these 3 governments could be in agreement, fund it properly, and concentrate on improving programs and not labeling you as just another case file number. Hoping you get off the system so they don't have increase property taxes again.

We are at a point where just about every Canadian is in the system. Be it your working class and paying your taxes, or your registered at a homeless shelter and possibly trapped in the No ID, no source of income or no motivation to fix your circumstances circle.

You might be a student who is reliant on a grant or a student loan to survive, yet now you are demeaned to living a fund that has a big difference between CERB and CESB, not to mention you might be fearing that wage subsidy now coming up that will just go right back to the government because come April, your broke ¾ into your studies living off peanut butter sandwiches and Kraft dinner.

The worker whom in an industry was laid off in the winter, his EI running out by July, with no plan, no savings, back rent to pay, and because his job is crowd control for an industry on the road, one that is a different employer every time, he won't see work until at least August.

What is going to happen to the gig economy, employees of businesses who were forced to close due to Covid-19, tourism, increased costs of child care, and more? Are we to just wing it until it all comes together? Instead of using this time where we are all sheltered in place to do what we must for the future, we are stuck in a media driven frenzy of answering the question of a equal payment to all as something that is too big, instead of actually counting up what we already do. The first step would be to consolidate the programs that are dedicated solely to income replacement.

Most of these programs are designed to be targeted and have claw backs at income levels, are never used by other citizens, or are ineligible. Yet we all invest into them.

You combine the CPP and EI payroll deductions into one, thus eliminating some administration. With the decrease on Provincial budgets, and Provincial Taxes it will alleviate some of the burden of a higher federal tax rate.

Then you start to look at how much the federal government is giving the provincial governments for basic needs. The provincial governments are not going to need to give welfare now, at least not in the current form. Those programs can shift towards Healthcare, Education Support, Dental and Prescription Coverage, etc at a much less expensive program. This will create tax cuts provincially. For the current year you shift leftover funds towards already approved programs that need funding.

Municipally, we are no longer going to have to administrate the municipal provincial program. With that elimination as there is no need for claw backs, creating less demand on Municipal coffers to supply its residents. In the future this can result in tax cuts due to savings on administration. Does any higher government fund their administration duties by subsidies or grants? Residents can enjoy a healthy cut to property taxes which could keep rental prices low during the boom.

A robust UBI can inject the home rental market dramatically by increasing demand for landlords to beautify and repair derelict homes. It creates a competitive market that will be changed by resilience towards loss of income situations. Less evictions and substandard living conditions will decrease healthcare costs.

We need to target our basic needs programs into a new era where they are more dedicated towards health and welfare instead of funding your basic needs. This Covid-19 crisis has proven without a doubt that the federal government has access to fund this, I mean we have issued Billions upon Billions with a skeleton legislature. The precedent to getting things done quickly is set in stone. So it is never a question anymore about how can we ever, it should now be questioned “When can we work together enough to achieve this.

Folks we aren’t talking about Private funded programs, charities, or building a rocket to the moon, we are talking about Governments working together to straighten out the 100 years of building programs after programs that cut each other’s throats and the spirit of what is to be Canadian.

We need to get smart in this society and realize that 2020 is not the year of being lethargic in our legislature, it is the year of equality and how we are going to regard everyone after this crisis. Are we going to continue to tip toe around the issue, or are we going to consolidate enough to create a program that can abolish homelessness, abolish starvation, and prove that as a nation we can support each and every one of us equally. Creating a Universal program will give further accountability, less administrative cost, economic stability, increasing our GDP at a time of global crisis.

How many municipalities are about to scream poor, creating deficits so large, increasing property taxes at unprecedented levels, how many provinces will be looking for funding from the federal government to help its citizens with rent programs, and basic help anyway? We need to stop this wagon wheel here and now with a simple and robust solution.

If we don’t do a UBI now, we are going to have another year of claw backs, expiring social assistance programs, further poverty, and further provincial and municipal demands. You don’t have to be a college level educated person to realize that our social assistance system is on the brink of collapse.

We spend millions of dollars every year in the name of “efficiency improvements or cost savings measures” while we know that it gets lost in bureaucracy and administration costs.

As Tim Richter, the CEO of the Canadian Alliance to End Homelessness, wrote in a 2016 compendium prepared by the Canadian Centre for Policy Alternatives (CCPA), “a guaranteed annual income would also help to make it far less likely that job loss, divorce, family conflict, domestic violence, injury, or illness result in homelessness. And it would help the many homeless people who do not now qualify for other forms of assistance.” Combined with the right housing policies and public services, Richter argued, a UBI “could be transformational in Canada’s response to homelessness.”

It is well known that the federal government has the cheaper lending ability, the better credit, and backed by the CRA systems. This would be essential as it is a system that is malleable enough to accommodate all the funding. By creating a Universal Benefit, it eliminates the administrative effects of closing all of these programs. Without clawing back the existing programs, they can wind down without having to claw back your federal funding. For example, your municipal welfare program may need 3 months to give notice to its staff, perhaps time needed to shift towards healthcare and mental health programs to keep staff yet decreasing their budget. This keeps the benefits going while funding is slowly redirected federally or eliminated municipally, provincially and less demand on federal next year.

There are ways we can do this folks, but our politicians want you to believe it is unnecessary, unwise, too much work, illegal or some how wrong so they can continue to keep funding multiple programs after programs to hide unwanted expenses or scams. I mean after all they do need places to put those that got them voted in right?

By creating a Universal Income, we also kind of set a transparent standard on how much a person needs to survive at a minimum, we give a greater sense of purpose to everyone who has a job. Instead of spending sometimes upwards of 80% of your income on shelter, you've now got the chance to breathe.

Lets for example go forward 3 years, You've had your job for years, you suddenly become unemployed, instead of having to do research, apply for EI, wait weeks for a decision, exhaust your last paycheck and maybe some of your savings, your basic income will ensure your mortgage is not threatened. If you made too much money previously, you can easily call into the CRA to apply for extenuating circumstances as it is only 1 call center to call now, not hundreds nationally over many programs.

A new mother has a child. Instead of having to apply for CCB, GST, and any local programs she might need, it is one phone call to update her UBI that she has a child to add. That can save hours of stress on a sleep deprived mother who can use her time to bond with her child better.

Two parents raise their 3 children for their entire childhood. Good paying jobs, no need for UBI themselves. However going into University is expensive, the UBI that they fought against in the inception is enough for their children to rent their dorms and eat. This helps the parents from having to take out loans or lines of credit to pay for necessities because they made too much themselves for their children to get student loans. Just because the parents earned enough to put three children into University does not mean that they are stable enough for retirement. Perhaps they used that all. The UBI helps them to achieve at least a year or two of savings that can help them to save before then. This increases the economy and markets with investments as well.

If what you fear is that a Universal System is too transparent, or is going to have cracks in the system your right, there is always going to cracks because our system doesn't look at your expenses now, they look at it a year ago. It's always been that way, increasing dependency on past performance. If you are a successful businessman who made a few bad choices, you can land up from 50k a year to 8k in a hurry. With already being excluded from some programs such as GST rebates or EI, Welfare, they can be thrown into a waiting period of mounting debt and insecurity, trading time for mental anguish. Then comes selling off your goods, ruining friendships over loans for rent, starvation, divorces, and social detriment all at the expense of red tape.

After just 3 months where we have spent over 100 Billion and perhaps in the end much much more, on a overwhelming and unprecedented epidemic, we need snap to it, and change now what we have before we find out later that we overspent enough for our Great-Great-Great-Grandchildren are still paying for it.

I doubt that any Municipality or Province would tell you they would rather pay the rent and basic needs. Instead they do it because the federal government would rather do the international efforts and leave our provinces and cities to clean up our poor. Instead of unifying the effort federally, our municipal or provincial governments are left to put their own programs up that differ from city to city causing extra red tape just to move a city away.

Instead of spending Billions on Low Income housing, mostly going to developers, we could be taking care of the housing needs of our citizens today. Our less-fortunate don't have access to enough guaranteed funding to pass a simple landlord credit check. Welfare, Disability, or any other social program is no guarantee to a minimum income level. Landlords are too prejudice towards low income support. A UBI is not only a program that helps the taxpayer, but it increases the likeliness of a landlord approving someone without great credit. That \$1000 boost towards shelter each month meant that the small family of a mother and her son, who spent 70% of her income on a 1 bedroom, can now afford a 2 bedroom now, he's going to have his own room and maybe even a sleepover with a friend now.

That 1 bedroom they were in, now that homeless man has a home. His welfare couldn't afford it, only getting less than \$200 a month in a shelter, no means of saving a last month rent deposit or first, his paper delivery job, he doesn't have to take cash now to avoid big brother, he can be honest. Increasing job figures by 1. It was always there but hidden because of claw backs and tax evasion. This can account for many illegitimate jobs that aren't claimed due to claw backs. Creating a more competitive job environment, both in wages and working conditions.

That is something that UBI discussions don't have. The hushed discussions about how many cash jobs are really out there, under the table offers, that are undeclared and in high demand because employers either evade taxes, keep their numbers lower on purpose usually to avoid a loss, less-fortunate and poverty stricken individuals do it to hold their basic social assistance payments because they can't afford rent. With these actually being eliminated or brought to the forefront it creates additional tax revenue.

Winter bills, mortgage deferrals, missed rent payments, depleted cupboards and fridges, stay at home schooling, permanent job losses, utility bills, credit card interest, tax free savings withdrawals and more are going to seriously impact our ability to overcome this crisis. A truly Universal system that is designed to cooperate with existing social programs or replace them without a disincentive would stimulate our economy, and prevent the en mass lawsuits and outcries of contempt and violation of rights. The claw backs that we have today, will have the CRA working 20 years from now on claims of what has happened this month. Do we really want to put that much pressure on our society? Mr. Trudeau are you prepared to answer questions 20 years from now about how you didn't do this in the first place?

By declaring the UBI an "Essential Income" in a legislative effort, we can ensure that existing programs aren't going to just close shop and shut people out on day 1. By making it unable to be declared by a claw back method it can while spending extra create a savings net that these individuals may never had the chance to have. The budgets are already set, the taxes collected, let's make sure we do this adjustment humanely.

We could design a UBI that will force our lower tiers of government to shave their budgets, truly showing how much we really are overspending. The added incentive of the entire project is to eliminate the added inflation to all of the debt we have now. It's incremental folks, as we expand our programs, we expand our inflation each year. By removing multiple governments incurring debt and eliminating forecasted budget shortfalls from so many governments, we can slow the rapid amount of governments about to default. By creating a Universal system and regulating the increases and administration costs we can expect to have a significant savings for years to come.

It would not surprise me that if a UBI was built, it would save Trillions in savings over a decade. While stimulating an economy, tackling poverty like it is our enemy.

The best way to do it in my opinion is in two stages...

Stage 1

Creation of UBI

- Slow and gradual processes of letting citizens register into the program, and start receiving payments.
- Legislative efforts towards prohibiting claw backs from issued funding until a certain date that will force debt and red tape while consolidating programs preventing loss of benefits and health care assistance (ie prescriptions, dental)
 - This itself is incentive for existing programs to eliminate the basic needs and rent funding for clients on a quick basis
 - Eliminates all the legislation and lawsuit litigations that would try to tie up the system to prevent UBI
- Utilizing the CRA there should be enough data to enroll most of the population automatically
- Universal system reporting every 3 months through a extremely condensed tax filing with the CRA (3 quarterly updates, 1 final filing)
 - Essential reporting only done digitally to ease administration ie (New job, Increased Rent, New Child, Senior at Home)
 - This quarterly reporting helps to take the strain from individualized programs and all of the applications and narrowed it into one profile that can automatically start pre-determined benefits such as child care increases, stay-at-home tax credits for home care, etc.
 - cut off from UBI is >90 days with 2 consecutive reported income increases preventing sudden gains through new employment to < 3mo job losses
- Time for adjustment off existing benefits or consolidation transfers to replacement programs from existing ones
 - dental coverage protection
 - prescription coverage protection
 - local benefits like transit passes
- Utilizing existing staff and retraining before these programs are eliminated

Stage 2

Consolidating existing infrastructure into new program

- Consolidation of hardware from existing infrastructure can alleviate upgrade costs
- Bi-Weekly Payments – providing stability and no sudden gain-poor situations caused by monthly one-time payments being stretched over long period
 - By consolidating existing programs like Welfare and CCB the most disadvantaged families will have steady spaced out payments instead of shortfalls such as 5th, 10th, 20th, 30th all at different amounts and dependant on claw backs from previous gains
- Each province and territory would need to put a plan into place on how to redistribute the funding it currently has for basic shelter and needs, towards other federally approved programs that are waiting for funding.
 - This is crucial as it eliminates the need for the federal government to claw back existing funding already paid
 - Speeds up local infrastructure programs
 - Speeds up transit development
 - Could speed up debt repayment lowering interest rates
- Each Municipality would need to put a plan into place on how to redistribute property taxes and federal/provincial funding for basic shelter and needs, towards other federally approved programs that are waiting for funding.

Wynne's three-year, \$150 million pilot program was intended to provide a fixed income for people with low or no earnings in Brantford, Hamilton, Lindsay, Thunder Bay, and a few smaller municipalities. Single people were eligible to receive up to \$16,989 annually and couples as much as \$24,027, with all of these payments reduced by 50 cents on every dollar of earned income. But, just ten months into the program's lifespan, it was cancelled by Doug Ford's newly elected conservative government, with the final payments being made last March. The reason, according to Lisa McLeod, the former minister of children, community, and social services? "When you're encouraging people to accept money without strings attached, it really doesn't send the message that I think our ministry and our government wants to send," she told the Canadian Press.

As it turns out, though, the program appeared to have been delivering results. According to a recent survey of 217 of its participants, Ontario's **UBI** experiment was improving lives, reducing poverty, and allowing people to make better choices—exactly as its proponents had predicted. According to Wayne Lewchuk, a McMaster University economics professor who helped design the survey, more than three-quarters of respondents who had been working before the pilot stayed employed, with many using the payments to improve their circumstances. "Many of those who continued working were actually able to move to better jobs, jobs that had a higher hourly wage, that had in general better working conditions, that they felt were more secure," he told the **CBC's** As It Happens. Rather than discouraging people from working, the money bought them time to find better and more fulfilling jobs—ones that would ultimately create more tax revenue for the government.

Summary of Economic Impact

There would be too many things to count towards the economic impact of a UBI. However we can list in point form where some of the advantages may come from...

- With the consolidation of government programs like GST rebates, CCB, Energy Credits, Assistance such as Welfare, Disability, CCP you can create stability to families by having payments delivered 2 payments monthly.
 - This eliminates the instability of clawed back funds
 - Mitigates improper budgeting due to guessing
 - Changes the working dynamic
 - Decreases stress of cost of working (ie. Transportation)
 - Universality decreases undisclosed work hours
 - Decreases fraud
 - Decreases work accidents
 - Decreases costs of ineligible funding used
 - Decreases dependency on overtime creating other employment
 - Decreases stress, insomnia, fatigue
 - Higher education due to increased time studying
 - Creates innovation and creativity
 - Ability to inspire and not stress over medial work
 - Increased test scores and lifelong skill gains
- Businesses will benefit from the stability of steady purchases of produce, meat, supplies.
 - Improves the supply chain and decrease costs by less waste
- With a UBI already in place, another pandemic or national emergency can deliver much needed help at an expedient nature.
 - The UBI can be tied directly into the CRA thus creating a link towards the type of employment a person may have if targeted industries are required.
- Students can have access to affordable housing without the cost of borrowing loans
 - Decreases dependence on parents for loans for schooling
- Decreases risk of domestic violence and easier relocation for victims
 - With a UBI a victim of Domestic Violence can access funds easier towards new shelter
 - Increases likelihood of healthier families
 - Decreases dependency on drugs & alcohol to fight depression from inability to provide
- Could prevent domesticated animals from desertion due to inability to provide
- Healthier families that eat better have less chance of needing health care
- Better access to dental products that might be unaffordable
- Better access to prescription funds for families who may not have a drug plan
- Less debt lowers interest and can impact better credit scores on average
- Less reliance on charities and food banks providing better services to those that need it
- More social programs can be made available with targeted help instead of just funding
- Social Workers can spend more time helping those achieve employment or mental help
- With Automation threatening jobs, a UBI could cushion the blow to the working sector by providing better working environments to prevent automation which inhibits creativity
- More transparency and accountability means less fraudulent opportunities to those that can influence government programs

- Once implemented there will be immediate impacts to the national economy for all sectors from Automobile Sales, Local Mom & Pop Businesses, Big Box Stores, Groceries, Transit spending, Children's Activities, Sports, Entertainment such as Movie Theatres, and more.
- Sales taxes are spent on UBI
- UBI is taxable, some recommending exemption at 50k individually or 75k annually
- Public Transit will see an increase in fares/passes lowering dependency on transit funding
- Developers will see a rise in rental income stability decreasing risk and costs of building more
- Lowering of evictions due to non-payment will decrease costs
- Decrease costs of moving on low income individuals may increase lifelong stability and accumulation of belongings and wealth (by saving 2 moves a lifetime some can save thousands)
- Increased rental income stability will allow landlords to provide better residences and care in means of pest control and maintenance resulting in better health and less healthcare costs again
- Municipal governments can spend more dedication on infrastructure and mental health
 - Decreases in budget
 - Basic needs funding
 - Homeless prevention
 - Shelters
 - Health Care
 - Drug Prevention
 - Law enforcement
 - Social Programs
 - Infrastructure repair from vandalism or encampments
 - Better use of resources towards mental health and other social programs
 - Increases in budget
 - More population from new housing means more taxes
 - More innovation and businesses
 - Cheaper developments means quicker access to tax funds
 - Stability in Rental Housing creates stability in local growth and longer term connections in neighbourhood decreases crime
- Creating more equality in Indigenous Communities by providing steady access to an income that can increase their style of lifestyle
 - Increased access to drinking water
 - Increased access to travel for school and education
 - Increased revenue within the community at an exponential growth
- Decreasing opportunities for Hackers and Fraudsters from scamming a program

How much do we spend on Social Assistance Programs... Over \$165B /year

Canadian Federal Government spent \$93.7 Billion in 2018 just on

- Elderly Benefits \$50.6 B
- Unemployment Insurance \$19.7 B
- Children's Benefits \$23.4 B

*Federal Social Transfers are not listed as they partially fund the following...

Provinces in 2018 have spent on Social Programs \$71.39 B

- Yukon
 - Family and Children Services \$46 M
 - Social Supports \$55.5 M
- NWT
 - Health and Social Services \$461.5 M (*No separation from health and social costs)
- Nunavut
 - Family Services \$153 M
 - Community and Government Services \$251 M
 - Nunavut Housing Corporation \$201 M
- British Columbia
 - Advanced Education, Skills, and Training \$2.1 B
 - Children and Family Development \$1.5 B
 - Municipal Affairs and Housing \$690 M
 - Social Development and Poverty Reduction \$3.1 B
- Alberta
 - Children's Services \$1.47 B
 - Community and Social Services \$3.62 B
 - Seniors and Housing \$608 M
- Saskatchewan
 - Social Services and Assistance \$1.35 B
- Manitoba
 - Health, Seniors and Active Living \$6.75 B
 - Families \$2.14 B
- Ontario
 - Children and Youth Services \$4.3 B
 - Community and Social Services \$11.3 B
- Quebec
 - Santé et Services Sociaux \$36.87 B
- New Brunswick
 - Department of Social Development \$1.2 B
- Nova Scotia
 - Community Services \$989.7 M
- PEI
 - Family and Human Services \$121.4 M
- Newfoundland and Labrador
 - Children, Seniors and Social Development \$160 M
 - Education and Early Childhood Development \$785 M
 - Newfoundland and Labrador Housing Corporation \$40 M

I'm sorry to say this but that itself is enough to pay for UBI already. We haven't even begun to count the other provincial or municipal programs. Yes not all of these funds would be used obviously. There are many programs that would need to exist. Then you have your grants, loans, deferrals, and more.

Finland just released their final report on their UBI pilot. The link is the 3rd reference at the bottom. The results were just what we expected. Minimal disruption for employment, and increased health and wellness along with good mental health.

References

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- https://www.reddit.com/r/BasicIncome/comments/geksbs/final_results_of_finlands_basic_income_experiment/?utm_medium=android_app&utm_source=share
- Provincial budget numbers are from each respective province or territory budget of 2018-2019
-