

Hon. Lisa MacLeod
Minister of Children, Community and Social Services
14th Floor, 56 Wellesley St. W
Toronto, ON M7A 1E9
Sent via email to: lisa.macleod@pc.ola.org

August 17, 2018

Dear Minister MacLeod,

Re: Cancellation of the Basic Income Pilot Project

On behalf of the Board of the Health for the Haliburton, Kawartha, Pine Ridge District Health Unit, I am writing to urge you to reconsider the decision to cancel the Ontario Basic Income Pilot Project. This very important initiative would have provided the Province with valuable information regarding the impact of basic income on health, social, and economic well-being.

In a position statement released in June of 2016 (attached), the Haliburton, Kawartha, Pine Ridge District Health Unit (Health Unit) cited research and evidence in its support of Basic Income Guarantee as an essential component of a strategy to effectively eliminate poverty, ensure all Canadians have a sufficient income to meet their basic needs, and live with dignity and to eliminate health inequities.

The Health Unit believes that eliminating poverty is an urgent public health and health equity issue, as well as a human rights and social justice issue. Research clearly indicates that people living in poverty are more likely to experience poorer health, have chronic health conditions, more injuries, and have a disability. Those living with low-income have a greater use of a variety of health care and social services and are more likely to live shorter lives.

The recent cancellation of the 3-year Basic Income Pilot Project will impact more than the 4,000 Ontarians who are currently committed to the Project. The research to be gleaned from this Project had the potential to impact the 1.7 million Ontarians who are living in poverty. In addition to the cancellation of the research project, the proposed cuts to the previously planned increase in social services rates (from 3% to 1.5%) and the 50% reduction in the amount of allowable earned income for those on social assistance are extremely concerning. These cuts directly contradict the significant volume of available evidence indicating that it is costlier, and socially unjust to keep people in the province living with inadequate income to meet their basic needs. As the Association of Local Public Health Agencies (ALPHA), expressed in its August 2, 2018 letter to you, the Basic Income Pilot Project was based on a well thought out, researched proposal, which had received valuable input from over 35,000 Ontarians. To so abruptly cancel this Project undermines the investments made both financially and personally by many Ontario citizens. The unethical and unjust treatment of the participants from Lindsay, Hamilton-Brant, and Thunder Bay is unconscionable.

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Previous research on Basic Income Guarantee programs demonstrates substantial benefits such as decreased hospitalization rates, work-related injuries, emergency department visits and mental illness consultations. The Basic Income Guarantee (BIG) is considered by many economists and researchers as an economically sound and an effective policy option to reduce the number of programs and their associated costs, and to streamline the effort to tackle poverty. It is predicted that BIG will cost less than the current amounts spent on social programs, housing, justice and health care needs.

The Health Unit's position statement also acknowledges the success of existing guaranteed income supplement programs (Old Age Security and Guaranteed Income Supplements for seniors), which provide evidence of improved health status and quality of life for recipients.

Although the causes of poverty are complex, and a multipronged approach is required to improve health, the Basic Income Guarantee is one policy approach that could reduce the economic barriers to good health and ensure low-income individuals and families in Ontario have a sufficient income to meet their basic needs and live with dignity.

Continuation of the Basic Income Pilot Project would allow researchers to fully assess the impact of the Basic Income Guarantee on labour participation, health, social engagement, food security, housing stability and educational activities. We know through anecdotal reports from our staff, that participants in the Lindsay Pilot Project located in our Health Unit area, have already experienced benefits of BIG in terms of improved housing, ability to further education to improve employment opportunities, ability to purchase more nutritious food and reduced reliance on food banks.

The Health Unit therefore respectfully requests that the Basic Income Pilot Project be reinstated and allowed to be completed as originally planned. By completing the Project, the evidence obtained would then serve to guide further action for policies and programs to reduce poverty, thereby improving the health and well-being for all people in the Province of Ontario.

Yours truly

BOARD OF HEALTH FOR THE HALIBURTON,
KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT



A. Lynn Noseworthy, MD, MHSc, FRCPC
Medical Officer of Health

ALN:kn

Attachment: Haliburton, Kawartha, Pine Ridge District Health Unit Position Statement-Basic Income Guarantee

Copy to: Hon. Doug Ford, Premier of Ontario
(via email) Hon. Christine Elliott, Minister of Health and Long-Term Care
Dr. David Williams, Chief Medical Officer of Health
Roselle Martino, Assistant Deputy Minister, Population and Public Health Branch
MPP Laurie Scott
MPP David Piccini
City of Kawartha Lakes
Haliburton County
Northumberland County
Central-East Local Health Integration Network
Loretta Ryan, Executive Director, Association of Local Public Health Agencies

Pegeen Walsh, Executive Director, Ontario Public Health Association
Ontario Boards of Health
Association of Municipalities of Ontario

HALIBURTON, KAWARTHA, PINE RIDGE DISTRICT HEALTH UNIT
BASIC INCOME GUARANTEE

Position Statement

It is the position of the Haliburton Kawartha Pine Ridge District Health Unit that eliminating poverty is an urgent health, human rights and social justice issue that requires action on the part of the municipal, provincial and federal governments. Basic income guarantee, which is an unconditional cash transfer from the government to citizens to provide a minimum annual income and is not tied to labour market participation, is an essential component of a strategy to effectively eliminate poverty, ensure all Canadians have a sufficient income to meet their basic needs, and live with dignity and to eliminate health inequities.

Backgrounder

Income has been identified as the most important determinant of health as it influences living conditions, physical and mental health and health-related behaviours including the quality of one's diet, extent of physical activity and tobacco use¹. People living in poverty are more likely to experience poorer health, have two or more chronic conditions, have more injuries, be more likely to have a disability, use health care services more frequently and live shorter lives.

Based on the Low-Income Measure After Tax (LIM-AT), the incidence of low-income in 2013 was 13.5% for the Canadian population.² More specifically, 16.5% of children aged 17 and under lived in low income families and for children living in lone-parent families headed by a woman, the incidence rose to 42.6%.

Locally in the Haliburton Kawartha Pine Ridge District Health Unit, in 2010, 12.7% of the population lived in low-income situations based on LIM-AT.³ In terms of children under the age of 6 years, 21.8 % lived in low income families.⁴

Currently, households that rely on Ontario Works or Ontario Disability Support Programs as their primary source of income have income levels that are inadequate to meet core basic needs such as housing and food. According to a report on household food insecurity in Canada in 2012, 70% of households whose primary source of income was social assistance were food insecure.⁵

Over the past 20 years there have been tremendous changes in technology and globalization, which impacts job stability and security. Almost half of working adults are employed in precarious employment, which is part-time, seasonal or contract work that has little or no benefits and often pays low wages. Research shows that 70% of Canadians living in poverty are considered to be the working poor, which means they are employed but do not earn enough to make ends meet.⁶

¹ In Focus The Social Determinants of Health, Epidemiology and Evaluation Services, Fall 2014 available from <http://www.hkpr.on.ca/Portals/0/PDF%20Files/PDF%20-%20Epi/InFocus14-Web.pdf>

² Statistics Canada Canadian Income Survey 2013 available from <http://www.statcan.gc.ca/daily-quotidien/150708/dq150708b-eng.htm>

³ 2011 National Household Survey, Statistics Canada available from <https://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/details/page.cfm?Lang=E&Geo1=HR&Code1=3535&Data=Count&SearchText=Haliburton,%20Kawartha,%20Pine%20Ridge%20District%20Health%20Unit&SearchType=Begins&SearchPR=01&A1=All&B1=All&GeoLevel=PR&GeoCode=3535&TABID=1>

⁴Ibid

⁵ Tarasuk, V., Mitchell, A., Dachner, N.,(2014) Household food insecurity in Canada, 2012 available from http://nutritionalsciences.lamp.utoronto.ca/wp-content/uploads/2014/05/Household_Food_Insecurity_in_Canada-2012_ENG.pdf

⁶ Lewchuk, W. et al. It's More than Poverty: Employment Precarity and Household Well-being United Way Toronto-McMaster University Social Sciences, 2013. www.pepso.ca

Basic Income Guarantee

The causes of poverty are complex and a multipronged approach is required to eliminate poverty and to improve health and social equity for all. One component of a poverty reduction strategy is to provide a basic income guarantee (BIG). It is an unconditional income transfer from the government to individuals and families that is not tied to labour market participation.⁷ The objective of a basic income guarantee is to provide a minimum annual income at a level that is sufficient to meet basic needs and allows individuals and families to live with dignity, regardless of work status.⁸ Since research shows that basic income guarantee could have health promoting effects and reduce health and social inequities, it is considered to have merits as an effective policy option.

A basic income guarantee was piloted in Dauphin Manitoba from 1974-1979 to study the impact of a guaranteed income supplement. Research showed a number of substantial benefits including a decrease in hospitalization rates, which were 8.5% less when compared to the control group. There were fewer incidents of work-related injuries, fewer visits to the emergency department from motor vehicle accidents and domestic violence and there was a reduction in the rates of psychiatric hospitalizations and the number of mental illness consultations with health care professionals. The research also showed that teenagers and new mothers were the only populations to significantly work less. The study showed that more teenagers completed high school and new mothers extended their maternity leaves. Once the pilot finished and the cash transfers stopped, the number of teens not graduating from high school rose, returning to the previous rate that existed before the pilot.⁹

Currently in Canada, Old Age Security (OAS) and Guaranteed Income Supplements (GIS) are forms of guaranteed income supplement programs, which are income tested cash transfers for seniors at age 65 and older. Since their implementation, the incidence of poverty in seniors dropped substantially from 21.4% in 1980 to 5.2% in 2011. As a result, Canada has one of the lowest rates of seniors living in poverty in the world and the incidence of food insecurity is 50% less for those age 65 to 69 than for those age 60-64.¹⁰ Similarly, other programs such as the Canadian Child Tax Benefit and National Child Benefit Supplement (which are tax free monthly payments for eligible families with children) have shown benefits in terms of improved math and reading skills and improved mental and physical health measures.¹¹

Cost Considerations for a Basic Income Guarantee Program

It is widely agreed upon that the costs of poverty are very high. The total cost of poverty in Ontario is approximately \$32.2-\$38.3 billion dollars.¹² It is estimated that between \$10.1 billion and \$13.1 billion is spent on the social costs of poverty related to social assistance, housing and justice programs and health care costs associated with the effects of poverty. Lost opportunities for income tax revenue are estimated to be \$4- \$6.1 billion dollars and an additional \$21.8-25.2 billion is attributed to lost productivity and revenue and intergenerational poverty low-income cycles.

Given the magnitude of the social and economic costs of poverty and the resources being spent on countering the negative effects of poverty, it is more prudent to spend those resources on prevention.

⁷ Pasma, C., and Mulvale, J. *Income Security for all Canadians Understanding Guaranteed Income*. Ottawa: Basic Income Earth Network Canada; 2009. Available from http://www.cpj.ca/files/docs/Income_Security_for_All_Canadians.pdf

⁸ Ibid

⁹ Forget, E. **The Town with No Poverty: Using Health Administration Data to Revisit Outcomes of a Canadian Guaranteed Annual Income Field Experiment 2011** available from [http://nccd.ca/images/uploads/comments/forget-cea_\(2\).pdf](http://nccd.ca/images/uploads/comments/forget-cea_(2).pdf)

¹⁰ Hyndman, B., and Simon, I., *Basic Income Guarantee Backgrounder October 2015* ALPHA and OPHA available from www.opha.on.ca/getmedia/bf22640d-120c-46db-ac69-315fb9aa3c7c/alpha-OPHA-HEWG-Basic-Income-Backgrounder-Final-Oct-2015.pdf.aspx?ext=.pdf

¹¹ Ibid

¹² Laurie, N. **The cost of poverty: an analysis of the economic cost of poverty in Ontario**. Toronto Ontario Association of Food Banks, 2008. <http://www.oafb.ca/assets/pdfs/CostofPoverty.pdf>

The costs of a basic income guarantee program in contrast to the costs of social and private costs of poverty have yet to be extensively researched. Estimates from Queen's University and the University of Manitoba identify that the amount for a basic income guarantee program for all of Canada would cost between \$40 and \$58 billion. Considering the total costs of poverty for just Ontario, a basic income guarantee would be very achievable.¹³

Provincial and National Support for a Basic Income Guarantee Program

Support for the basic income guarantee program exists across the political spectrum including politicians from several provinces and municipalities, economists and the health and social service sectors. Many large associations have given formal expressions of support such as The Canadian Medical Association, the Association of Local Public Health Agencies and the Ontario Public Health Association, the Ontario Society of Nutrition Professionals in Public Health, the Canadian Association of Mental Health, the Canadian Association of Social Workers and many health units in Ontario. Citizen groups in communities across Canada have also been forming to express their support for this initiative.

This past winter the Ontario provincial government embraced the opportunity to engage in the needed research to provide a clearer understanding of the implications and outcomes of the basic income guarantee program. By conducting a pilot study of the program, evidence will be gathered to determine if this is a more efficient manner of delivering income support, if it strengthens engagement in the labour force and if savings are achieved in areas such as the health care and justice systems. In 2016, the Ontario provincial government will work with researchers, communities and stakeholders to develop and implement a basic income guarantee pilot study.

HALIBURTON KAWARTHA PINE RIDGE DISTRICT HEALTH UNIT RESOLUTION ON BASIC INCOME GUARANTEE

WHEREAS addressing the social determinants of health and reducing health inequities are fundamental to the work of public health in Ontario; and

WHEREAS the Haliburton Kawartha Pine Ridge District Health Unit's strategic direction is to address the social determinants of health and health equity; and

WHEREAS income is recognized as the most important determinant of health and health inequities; and

WHEREAS 12.7% of the population in the Haliburton Kawartha Pine Ridge District live in low income circumstances based on the Low-Income After-Tax (2011 National Household Survey, Statistics Canada); and

WHEREAS low income and income inequality have well-established, strong relationships with a wide range of adverse health and social outcomes as well as lower life expectancy; and

WHEREAS income insecurity continues to rise in Ontario and Canada as a result of an increase in precarious employment and an increasing number of working-age adults who rely on employment that pays low wages; and

WHEREAS existing federal and provincial income security programs are insufficient to ensure that all Canadians have adequate and equitable access to the social determinants of health (e.g., food, shelter, education); and

WHEREAS a basic income guarantee, which is an unconditional cash transfer from the government to citizens to provide a minimum annual income and is not tied to labour market participation, has the potential to ensure all Canadians have a sufficient income to meet basic needs and to live with dignity; and

¹³ Roos, N., and Forget, E. "The time for a guaranteed annual income might finally have come." The Globe and Mail, August 4, 2015. Available at <http://www.theglobeandmail.com/report-on-business/rob-commentary/the-time-for-a-guaranteed-annual-income-might-finally-have-come/article25819266/>

WHEREAS a basic income guarantee resembles existing income security supplements currently in place for Canadian seniors and children, which have contributed to improved health status and quality of life in these age groups; and

WHEREAS a pilot project of basic income for working age adults conducted in Dauphin Manitoba in the 1970s, indicates that the provision of a basic income guarantee can reduce poverty and income insecurity, improve physical and mental health and educational outcomes, and enable people to pursue educational and occupational opportunities relevant to them and their families; and

WHEREAS the concept of a basic income guarantee has received support from the health and social sectors including the Canadian Public Health Association (CPHA), the Canadian Medical Association (CMA), the Canadian Association of Social Workers, the Association of Local Public Health Agencies (ALPHA) and the Ontario Public Health Association (OPHA), the Ontario Society of Nutritional Professionals in Public Health and the Ontario Mental Health and Addictions Alliance as a means to alleviate poverty and improve health outcomes of low income Canadians; and

WHEREAS there is growing support from economists, political affiliations and other sectors across Canada for a basic income guarantee;

NOW THEREFORE BE IT RESOLVED THAT the Haliburton Kawartha Pine Ridge District Health Unit Board of Health endorse a position statement of a basic income guarantee;

AND FURTHER that the Haliburton Kawartha Pine Ridge District Health Unit Board of Health join ALPHA and OPHA in requesting that the federal Ministers of Employment, Workforce Development and Labour, Families, Children and Social Development, Finance and Health, as well as the Ontario Ministers Responsible for the Poverty Reduction Strategy, Community and Social Services, Children and Youth Services, Finance and Health and Long-Term Care, prioritize joint federal-provincial consideration and investigation into a basic income guarantee as a policy option for reducing poverty and income insecurity;

AND FURTHER that the Prime Minister, the Premier of Ontario, the Chief Public Health Officer, the Chief Medical Officer of Health for Ontario, the Ontario Public Health Association, the Canadian Public Health Association, the Association of Local Public Health Agencies, the Ontario Boards of Health, the Federation of Canadian Municipalities, the Association of Municipalities of Ontario, MP Kim Rudd, MP Jamie Schmale, MPP Lou Rinaldi and MPP Laurie Scott as well as the City of Kawartha Lakes, the County of Haliburton and Northumberland County be so advised.