

Hamilton Roundtable for Poverty Reduction

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Canadian Federal Government should consider Basic Income 'well-being and stimulus' payments in response to COVID-19 upheaval

On Monday, the International Monetary Fund, the international organization mandated to foster global financial stability called on countries to consider *“targeted fiscal, monetary and financial market measures to help affected households and businesses”* in the wake of the current coronavirus situation and the upheaval that has resulted. It went on to recommend that governments should consider *“cash transfers, wage subsidies and tax relief”* to help people meet their needs

[\(https://blogs.imf.org/2020/03/09/limiting-the-economic-fallout-of-the-coronavirus-with-large-targeted-policies/\)](https://blogs.imf.org/2020/03/09/limiting-the-economic-fallout-of-the-coronavirus-with-large-targeted-policies/)

The Hamilton Roundtable for Poverty Reduction is calling on the Canadian Federal Government to heed this advice through 'Basic Income' well-being and stimulus payments.

Other international jurisdictions, already impacted by COVID-19, including Japan and Hong Kong are issuing basic income payments to residents affected by quarantines; Japan is giving residents \$80/day, while Hong Kong is providing a grant of \$1,280 to all permanent residents over 18. Today, Italy also announced that it was suspending mortgage payments during the outbreak.

Hamilton, Ontario was one of three provincial sites that tested the Ontario Basic Income Pilot between 2017 and 2019. More than 1,000 people in the community utilized the program and the results demonstrated that participants were able to meet their basic needs, stabilize housing and improve health.

The proposed **Basic Income Well-being and Stimulus** payments could also ensure that Canadians are able to enhance well-being and meet basic needs in the event of disruptions caused by COVID-19. “Most low income Canadians do not have the choice of deferring rent, or not purchasing food in the event of illness or absence from their jobs. A Basic Income payment could bridge the gap and ensure that the health of

people and communities remains the priority” noted Tom Cooper, director of the Hamilton Roundtable for Poverty Reduction.

A report released last week from McMaster University’s Department of Labour Studies surveyed more than 200 former basic income participants and found health was significantly enhanced through a Basic Income:

The basic income also had a noticeable impact on the *use of health services*, with many of the survey respondents indicating less frequent visits to health practitioners (33%) and hospital emergency rooms (37%), easier access to dental care (74%), drug store medicines (83%) and professional counselling services (50%).

(Lewchuk et al, p59)

Basic income payments would also have the benefit of helping to stimulate the economy and restore consumer confidence once current health concerns are abated. The McMaster report showed many pilot participants “found it easier to fund basic household purchases” while on the program. (Lewchuk et al, p48) Providing direct financial transfers to people instead of larger corporations could re-invigorate consumer spending.

For more information, please contact Tom Cooper, director Hamilton Roundtable for Poverty Reduction tom@hamiltonpoverty.ca