

## Basic Income? Basically unaffordable, say most Canadians

*Two-in-three say a basic income program would discourage people from working*

**August 11, 2016** – As governments across the country and around the world mull the concept of a basic income for all their citizens, a new poll from the Angus Reid Institute finds Canadians broadly supportive of the idea, and receptive to the two most-commonly cited arguments in favour of basic income programs: that they would streamline welfare systems, and provide greater security for workers whose jobs are threatened by improvements in robotics and artificial intelligence.

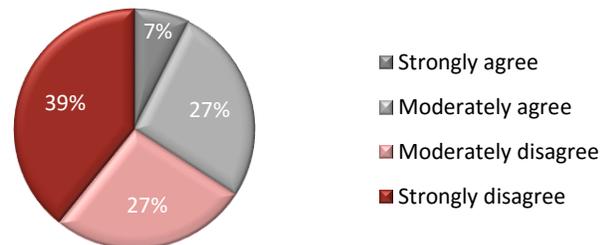
That said, the Canadian public is far less enthusiastic about paying higher taxes in order to support such a program. Indeed, most Canadians (59%) believe it would be too expensive, and would discourage people from working.

These findings come even as Canadians appear to be both skeptical of the effectiveness of traditional welfare programs and concerned about a potential increase in the number of Canadians reliant the country's social safety net because of advances in technology.

### Key Findings:

- Most Canadians support guaranteed incomes of either \$10,000, \$20,000, or \$30,000 per adult. Each of these amounts was presented to one-third of survey respondents, and in each case, at least twice as many say they would support such a program as say they would oppose it
- At the same time, six-in-ten Canadians (59%) believe the guaranteed income concept would be too expensive to implement nationwide, and just one-in-three (34%) would be willing to pay more in taxes to support such a program
- Almost two-thirds of Canadians (63%) believe new technology is likely to eliminate more jobs than it creates

**I would be willing to pay more in taxes in order to support some kind of Guaranteed Income.**



### **METHODOLOGY:**

The Angus Reid Institute conducted an online survey from July 26 – 29, 2016, among a representative randomized sample of 1,516 Canadian adults who are members of the [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.5 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

## More technology, fewer jobs?

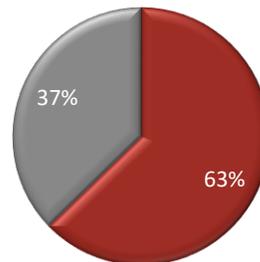
Historically, most economists have believed that continual improvements in technology, while rendering some jobs obsolete, would always eventually create more jobs than they eliminated. In recent years, [some have begun to question this belief](#).

The prevailing [opinion of many](#) is now that – just as [horses were rendered obsolete](#) in the workforce by machinery at the turn of the 20<sup>th</sup> century – human workers, too, face the prospect of losing their relevance in the workplace.

Most Canadians (63%) believe the concern that new technology will reduce the availability of jobs, rather than increase it, is a serious one:

**In recent years, people have speculated that new technologies will eliminate more jobs than they create. Which is closer to your opinion?**

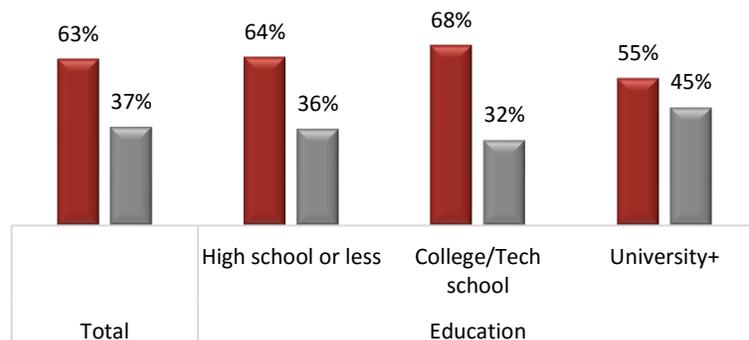
- This is a serious concern - new technology is **LIKELY** to eliminate more jobs than it creates
- This is **NOT** a serious concern - new technology is **UNLIKELY** to eliminate more jobs than it creates



There is a notable gap in opinion on this question between those with higher and lower levels of formal education, as seen in the graph that follows.

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One possible explanation for this difference may be that university educated respondents are more likely to believe their jobs to be “safe” from being replaced by robots or artificial intelligence. This may not be the safest assumption, however. Some have speculated that [algorithms may eventually replace lawyers](#), while jobs in the [financial sector](#) are already being lost to computer programs.

Notably, education is the only variable that offers differences of opinion between groups of Canadians on this question. The belief that technology is likely to eliminate more jobs than it creates is otherwise fairly consistent across all regions of the country, and among Canadians of all ages, genders, and political affiliations ([see summary and comprehensive tables for greater detail](#)).

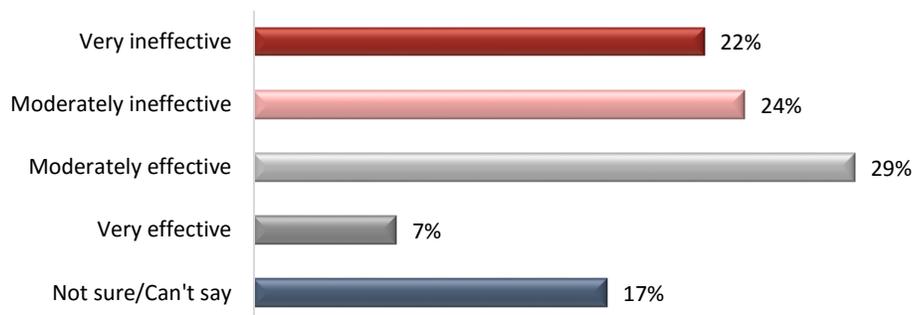
### Concerns about the social safety net

Should technological advancements leave an increasing number of people in developed countries unemployed or underemployed, it raises the spectre of increasing dependence on part-time and informal employment – as well as on employment insurance and welfare programs.

This is a concern not only because these programs are expensive for government to administer, but also because many Canadians see these programs – especially low-income assistance – as “ineffective.”

In fact, slightly more than one-in-three (36%) say the current welfare program in this country is working effectively, and just 7 per cent say it is “very effective”. Contrast this with the number who say it is “very ineffective” – three times as many (22%).

#### Based your own experience with these programs, if any, and whatever you may have seen or heard about them, would you say low-income assistance is effective or ineffective?



Canadians aren't the only ones feeling negatively about their country's poverty reduction strategy. A [United Nations report](#) earlier in 2016 criticized Canada's approach, saying it needs to do more, while a report from the Senate in 2009 called the system for lifting citizens out of poverty "[substantially broken](#)".

For these reasons, among others, many say that a “guaranteed income” or “basic income” program would provide a better alternative for alleviating poverty. Such programs are also favoured [by many of the](#)

economists worried about a “new normal” of precarious employment caused by improvements in technology.

There are a number of variations on this idea, but the thing they all have in common is that they promise everyone in a given society a minimum amount of money each year, whether or not they work for wages.

Such programs have been tried before – an experiment in Dauphin, Manitoba, in the 1970s is believed by some to have been successful. And they are back on the radar now: in June, the Swiss voted against a universal basic income in a referendum. Meanwhile, the government of Finland has announced a plan to pay every citizen 800 euros per month in place of all other social assistance programs.

Here in Canada, the Ontario provincial government has said it plans to conduct a basic income pilot project, and the federal government is reportedly interested in doing the same.

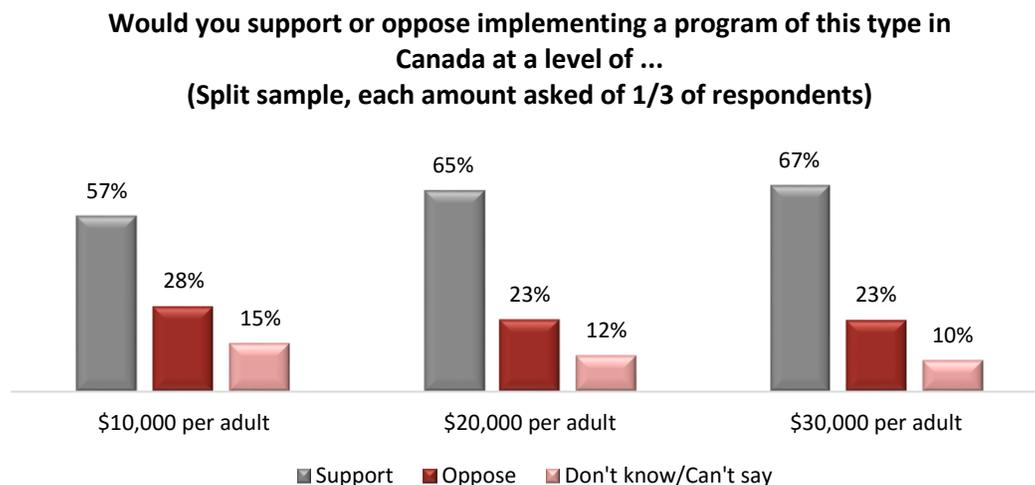
### Stronger support for higher basic income thresholds

The Angus Reid Institute described the guaranteed income idea to respondents as follows:

*Those who made less than the threshold through employment earnings would be paid the difference by the federal government, while those who made more than the threshold would receive no additional funding. This payment would typically replace most or all other forms of government assistance, such as welfare and employment insurance.*

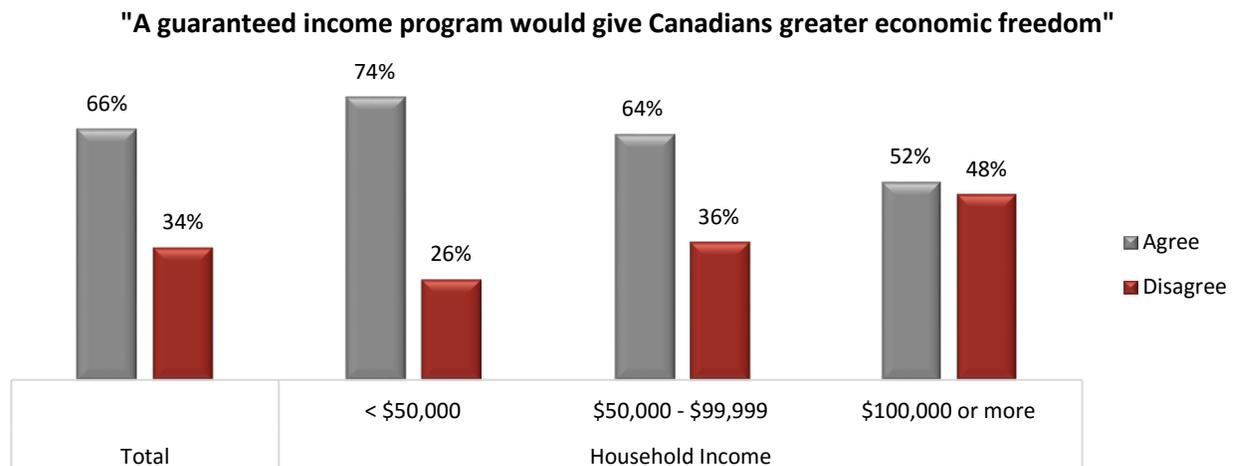
ARI then asked respondents whether they would support or oppose such a program if the threshold were set at each of three different levels: \$10,000, \$20,000, or \$30,000 per adult per year. Roughly one-third of the total sample (approximately 500 respondents) weighed in on each one of the three options.

As seen in the following graph, those Canadians who were asked about the higher amounts tended to be more supportive of the guaranteed income concept than those who were asked about the \$10,000 figure, though majorities in each sub-sample were in favour of the program with which they were presented:



Proponents of guaranteed income have championed the economic freedom it could provide to those who at times may wonder where their next paycheque is coming from. Two-in-three Canadians (66%) agree with this line of reasoning.

Those with lower household incomes are especially likely to agree with this statement, while those whose households earn \$100,000 or more are split down the middle:



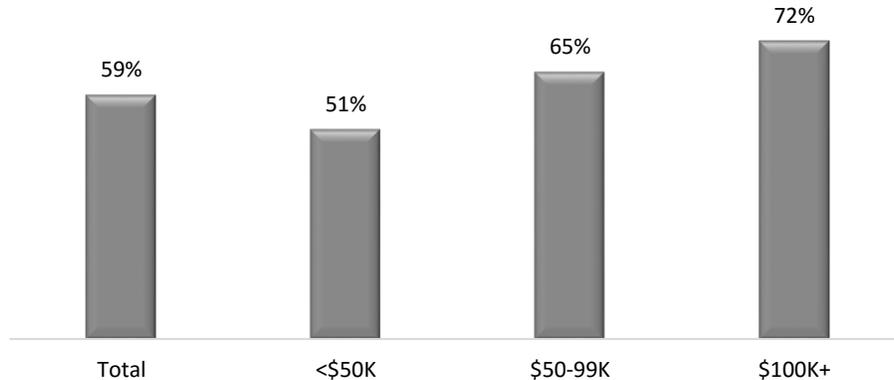
### Little support for paying more to make guaranteed income a reality

While Canadians appear to be broadly supportive of guaranteed income as a concept, they're skeptical that their country would be able to pay for it, and, indeed, unwilling to pay more in taxes in order to see it happen.

Six-in-ten Canadians (59%) agree with the statement "a guaranteed income program would be too expensive for Canada's government to afford."

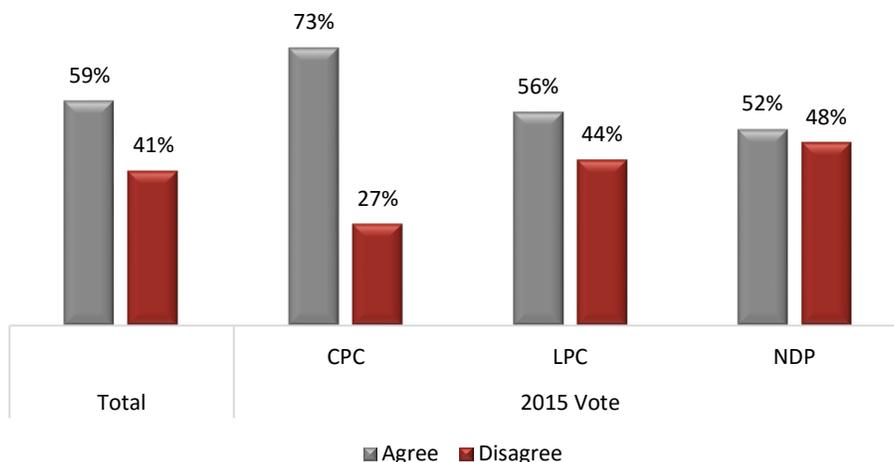
This belief is fairly consistent across all regions of the country, but there is some variation across other demographics. Those with lower household incomes are less likely to agree with the statement (51% of those earning \$50,000 or less do, compared to 72% of those with incomes of \$100,000 or more), and among young men, a slight majority actually *disagree* ([see comprehensive tables](#)).

**A Guaranteed Income program would be too expensive for  
Canada's government to afford**  
Percentage of Canadians who Agree shown:



There is also a partisan difference on this question. Among Canadians who voted for the NDP in last year's election, opinion is essentially split. Past Liberal voters tilt slightly towards a feeling that basic income is not something the country can afford to take on. Those who voted for the Conservative Party of Canada also feel this way, but by a much wider margin:

**"A guaranteed income program would be too expensive for  
Canada's government to afford"**

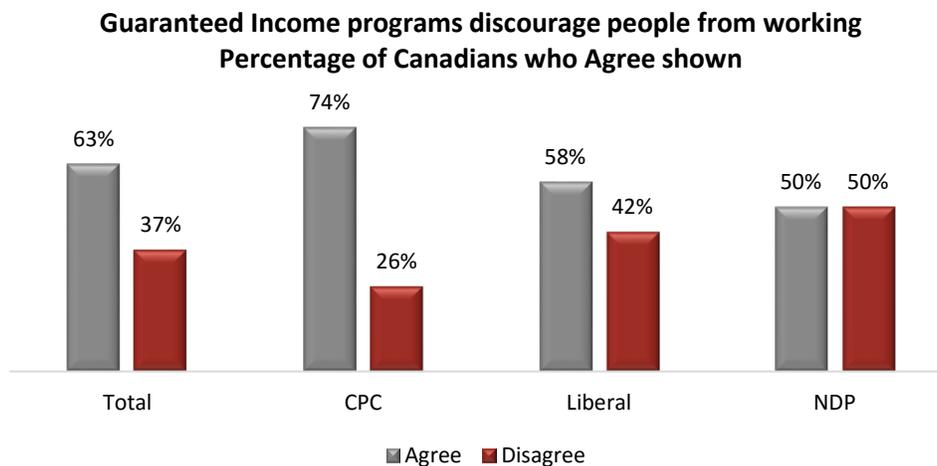


Further, two-thirds of Canadians (66%) *disagree* with the statement "I would be willing to pay more in taxes in order to support some kind of guaranteed income." The same age and income demographic groups that are more likely to agree with the "too expensive" statement are more likely to disagree with this statement about taxation ([see comprehensive tables](#)).

## An excuse not to work or a necessary evolution?

Policy makers have long debated the impact of welfare programs on employment. Depending on who is consulted, it may either [encourage](#) or [discourage](#) individuals from pursuing paid work.

Canadians tend to lean toward the latter. Asked whether a guaranteed income program would discourage people from working, fully six-in-ten (63%) agree. This opinion is particularly passionate among past Conservative voters, but stands at a minimum of 50 per cent among Canadians of all political leanings:



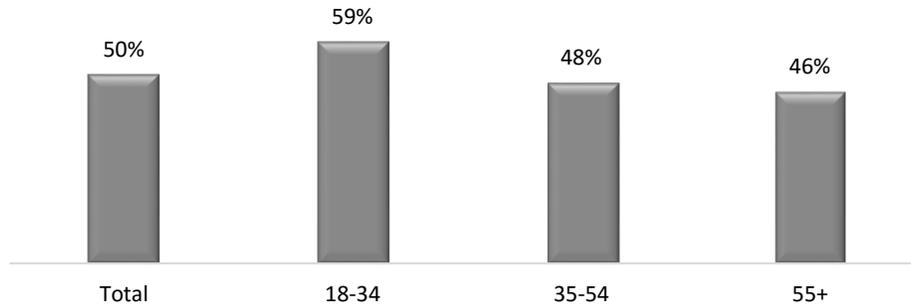
Canadians aren't necessarily certain that a person *must* work to receive an income, however. When asked whether they agree or disagree with the statement "if you don't work, you don't deserve an income", some 52 per cent say they agree, with the other half of respondents disagreeing.

## What of the welfare state?

One major factor for some proponents of a guaranteed income plan is the potential streamlining of current social programs in this country. Instead of a number of programs – including employment insurance, old age security and low-income assistance – currently administered by federal, provincial and city governments, a guaranteed income would act as a single monthly payment, replacing a much more complex system.

A number of economic commentators have [lauded the potential administrative savings](#) of such a simplification, but Canadians themselves are less certain. Asked whether their perception is that "implementing a guaranteed income system would reduce government bureaucracy overall" the population is split evenly down the middle: 50 per cent agree and 50 per cent disagree. Generationally however, this line of argument has more resonance among younger Canadians, as shown in the following graph:

### Implementing a Guaranteed Income system would reduce government bureaucracy overall (Percentage of Canadians who Agree shown)



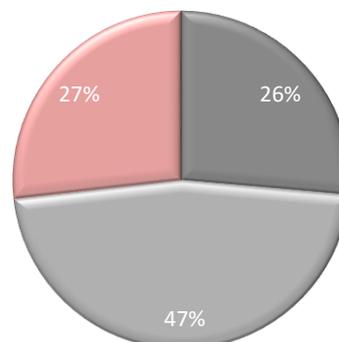
Arguments have also been made over whether or not a guaranteed income would lead to an improvement in terms of the effectiveness of poverty reduction strategies. As mentioned previously, Canadians are not overly bullish about the current welfare system, suggesting they would be open to improvements.

That said, Canadians are less likely to support a guaranteed income for the purpose of replacing other programs.

When asked to choose between two distinct reasons to support a guaranteed income plan –that it would provide stability for people who lose their jobs, or that it would replace and streamline existing welfare programs – Canadians are almost twice as likely to choose the employment stability side of the debate:

### In your opinion, which of these arguments is a better reason to support a Guaranteed Income program for Canada?

- Would replace existing welfare programs
- Would provide stability for people who lose their jobs
- Neither of these is a good reason to support a Guaranteed Income program in Canada



The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

Summary tables follow. For detailed results by age, gender, region, education, and other demographics, [click here](#).

Here are some statements that have been made about the concept of a Guaranteed Income. Would you say you agree or disagree with each one?				
"A guaranteed income program would be too expensive for Canada's government to afford"				
	Total (1516)	Federal Election Vote Last		
		CPC (347)	Liberal (469)	NDP (236)
Strongly agree	23%	36%	19%	14%
Moderately agree	36%	38%	37%	38%
Moderately disagree	26%	19%	30%	26%
Strongly disagree	14%	8%	14%	23%

Here are some statements that have been made about the concept of a Guaranteed Income. Would you say you agree or disagree with each one?

“Guaranteed Income programs discourage people from working”

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Strongly disagree	14%	7%	14%	22%