

Frequently Asked Questions (FAQs)

We offer the following responses to common questions asked based on the available evidence, the current PEI demonstration project proposal developed by Coalition Canada for Basic Income, and as reflections of the values for what the PEI Working Group for a Livable Income believes a basic income should look like. At the same time, we acknowledge that no one has all the answers, and that specific decisions about what a basic income guarantee could look like on PEI will need to be made by the PEI Provincial Government and the Federal Government in collaboration before one is implemented.

What is a Basic Income?

A basic income guarantee sets an *income floor* that no one would fall below. A regular cash payment would go to any adult who needs it to top up the level of their income, similar to how the Canada Child Benefit works.

Who would receive Basic Income on PEI?

PEI residents aged 18 to 64 would be eligible to benefit from the proposed Basic Income program, based on their income.¹

Will Basic Income make people stop working?

No. Pilot programs have been tried in many places and consistently show that people continue working and often move into better jobs, pursue higher education, or start businesses when they have financial stability.

The proposed Basic Income program features a 50% reduction rate. This means that benefits received through Basic Income would gradually decrease with employment income earned rather than cutting people off completely.

How will we pay for Basic Income?

Basic Income can be funded by adjusting tax structures, and reallocating existing government funds. With the proposed Basic Income Program, only the top 20% of income earners in the province would experience a reduction in their after-tax income, and the reduction would be modest. Economic modeling shows that investment in Basic Income leads to long-term savings in healthcare, social services, and law enforcement.

¹ <https://www.gbireport.ca/>

What happens to existing social programs?

Basic Income would complement existing programs. Essential supports like EI, social assistance, and disability supports would remain in place.

Because the proposed Basic Income Guarantee would be administered through the federal tax system and calculated annually, provincial social assistance will need to remain in place to respond more quickly to changes in employment income or relationship status that may happen within a given year. EI would also remain in place and would be considered as income for the purposes of calculating one's Basic Income benefit amount.

Will people move to PEI to access the basic income?

There are many reasons for someone to choose to move to or live in a given province. While we do not believe there would be a high number of people moving to PEI specifically to access the BIG demonstration project income, we acknowledge that parameters to access basic income would be developed by government and could include restrictions such as requiring one to have lived on PEI for a minimum length of time. .

Has Basic Income been tested before?

Yes! Pilot programs in Canada (Manitoba's Mincome, Ontario's Basic Income Pilot), Finland, and other regions have shown positive results in poverty reduction, employment, health, and well-being.

How does Basic Income impact businesses and the economy?

With more financial stability, people spend more in their local economies, supporting businesses and job creation. Basic Income can also encourage entrepreneurship by reducing the risks of starting a new venture.

What impact does Basic Income have on health and well-being?

Studies show that recipients experience lower stress, improved mental health, better physical health, and reduced hospital visits, leading to significant public healthcare savings.

What are the long-term benefits of Basic Income?

Basic Income leads to reduced poverty, improved health outcomes, increased economic participation, greater educational attainment, and stronger communities.

Media Talking Points

A New Safety Net for Economic Security

- As the cost of living skyrockets, more and more people are falling through the cracks. Basic Income is a modern safety net.
- It establishes a financial floor, so everyone can cover basic needs like food, housing, & clothing, and live in dignity.

Lifting People Out of Poverty

- Basic Income significantly reduces poverty, leading to lower food insecurity rates and better health outcomes.
- When people are not struggling to survive, they can focus on education, skills training, and securing better jobs.
- Communities thrive when people are financially stable and can actively participate in civic and social life.

Supporting Work & Entrepreneurship

- Basic Income doesn't discourage work; it allows people to seek better employment, upskill, or start businesses.

Proven Benefits from Pilot Programs

- Evidence from past pilot projects in Canada and globally shows that Basic Income leads to improved mental and physical health, higher workforce participation, and better educational outcomes.

Strengthening Communities

- When people have financial security, they engage more in their communities, volunteer, and support local businesses.
- Stable incomes contribute to safer neighbourhoods, healthier families, and stronger local economies.

Non-Partisan Support & Political Momentum

- Across political lines, there is growing recognition that Basic Income is a smart and sustainable solution for modern economic challenges.
- Many business leaders, economists, and policymakers advocate for Basic Income as a way to address automation, precarious work, and rising inequality.