



Coalition Canada

basic income revenu de base

Coalition Canada Basic Income – revenu de base 2025 Pre-Budget Submission

Submitted in advance of the 2025 federal budget

August 2025



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Recommendations:

1. That the Government of Canada renew and expand its support for the Federal/Provincial Working Group—established by the Minister of Families, Children and Social Development under the previous government, and PEI Minister of Social Development and Seniors Barb Ramsay—to facilitate data-sharing, technical collaboration, and governance to implement a cost-shared Guaranteed Basic Income (GBI) demonstration project in Prince Edward Island.
2. That the 2025 federal budget allocate federal funds to launch and evaluate a 5- to 7-year GBI demonstration project in PEI, co-designed with the provincial government and based on the 2023 "[A Proposal for a Guaranteed Basic Income Benefit in PEI](#)" report.

Introduction

In May 2025, [Prime Minister Carney directed](#) every federal department to deliver inclusive, transparent, and transformative results that strengthen the economy, reduce inequality, and rebuild public trust. The recommendations in this submission offer the Standing Committee on Finance an opportunity to advance that mandate.

Canada's social safety net is aging and fragmented. While programs like the Canada Child Benefit and Old Age Security provide stability for children and seniors, working-age adults continue to face economic volatility, insecure employment, and uneven access to support. In Prince Edward Island, over [13% of adults aged 18–64 lived in poverty prior to COVID-19](#). This is not sustainable—and it is not in line with our values or our economic goals.

The PEI Guaranteed Basic Income (GBI) Demonstration Project is a shovel-ready solution. Designed by leading economists and civil servants, and supported by all political parties in PEI, this initiative targets poverty reduction while ensuring fiscal prudence, evidence-based evaluation, and minimal disruption to work incentives.

The federal government has already laid the groundwork, through the establishment of a departmental working group and multiple cross-jurisdictional initiatives. What remains is to commit funding in Budget 2025 and to complete the evaluation of this model as a potential keystone in a modernized Canadian income security system.

This GBI Demonstration aligns with key pillars of the Prime Minister's mandate letter:

- Inclusive economic growth: The model reduces poverty from 9.7% to 2.1% in PEI
- Gender equity and reconciliation: It eradicates poverty among persons with disabilities and dramatically improves conditions for lone-parent families
- Smart government: It leverages existing infrastructure, uses the tax system, and can save governments money long-term
- Evidence-based innovation: It offers Canada an opportunity to test and refine reforms with measurable outcomes

As federal leaders work to rebuild public confidence, reduce inequality, and strengthen social cohesion, the GBI Demonstration in PEI offers an immediate, pragmatic, and future-facing policy tool to deliver on those goals.

Coalition Canada urges the Government of Canada to act boldly, invest wisely, and lead nationally by funding this pilot project in Budget 2025.

Our Recommendations

The Government of Canada has committed to building a stronger, fairer economy where every Canadian has a meaningful opportunity to succeed. In keeping with the [mandate outlined by Prime Minister Carney](#)—to strengthen inclusive growth, reduce inequality, and modernize Canada’s social infrastructure—the time has come to test a modern, cost-effective, and dignified solution to poverty.

The PEI Guaranteed Basic Income (GBI) proposal—developed collaboratively by economists, public servants, and policy leaders—is that solution. It reflects a whole-of-government approach and aligns with stated federal priorities: improving health outcomes, expanding labour force participation, building economic resilience, and ensuring no one is left behind.

Rooted in [Canada’s Poverty Reduction Strategy](#) and [PEI’s Poverty Elimination Strategy Act](#), the GBI demonstration would allow for evidence-based reform of social supports while reducing program overlap and long-term fiscal pressure.

Recommendation 1: Renew and Expand Federal Commitment to the PEI Working Group

The Working Group has already enabled productive cooperation between Statistics Canada, the CRA, and PEI’s Department of Social Development. Renewed federal leadership is essential to advance this collaboration into implementation.

The GBI Working Group also aligns with the government’s commitment to support data-informed, whole-of-government policy solutions and foster cross-jurisdictional partnerships. Continuing to support this team would demonstrate how public service excellence and collaboration can unlock transformative outcomes.

Recommendation 2: Fund the PEI GBI Demonstration Project in Budget 2025

The PEI GBI initiative embodies the government’s stated principles of equity, evidence-based policy, and affordability. This fiscally prudent model—designed to avoid disincentives to work and reduce program duplication—reduces poverty among working-age adults in PEI from 9.7% to 2.1% and eliminates deep poverty entirely.

Key features:

- Tax-delivered benefit using the census family definition
- Net cost reduced by ~40% through targeted eligibility
- Minimal impact on labour supply (–1.6%, or ~0.5 hrs/week)

The project directly contributes to goals identified in cabinet mandates: inclusive workforce development, advancing gender and economic equity, and building trust in government. It also complements the CCB, OAS/GIS, and the Canada Disability Benefit.

Why This Matters: Economic Strength, Resilience, and Inclusion

Smart fiscal stewardship: The GBI model is both cost-conscious and scalable. Public healthcare savings alone—estimated at up to \$70 million annually—could offset much of its cost, consistent with the government’s fiscal sustainability mandate.

Inclusive prosperity:

- Improves health, food security, and educational outcomes
- Empowers caregivers, women, and entrepreneurs
- Supports reconciliation and intergenerational equity

Nation-building potential: With Newfoundland & Labrador and Quebec studying similar models, PEI’s demonstration will offer a blueprint for national progress. Investing in this evaluation means building tools to modernize and streamline income support programs nationwide.

Evaluation & Implementation

- Co-administration by CRA and PEI to maximize efficiency
- Evaluation period: 5–7 years with interim results and adjustments
- Population: PEI residents aged 18–64, below MBM thresholds
- Maximum benefit: \$19,252/year (single adult), phased out at \$38,504
- Monthly tax-delivered payments based on prior-year income

This project would exemplify the Prime Minister’s vision of “smart government” and “public institutions that deliver real results.”

Closing Statement

The PEI GBI Demonstration Project is a low-risk, high-reward opportunity to evaluate an inclusive and forward-looking economic reform. It aligns with the Government of Canada's goals to modernize service delivery, build inclusive economic foundations, and foster trust in public institutions.

Coalition Canada urges the Standing Committee on Finance to recommend:

1. Renewed and expanded support for the PEI GBI Working Group
2. Federal funding to implement and evaluate the GBI demonstration in Budget 2025

Contact

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<https://basicincomecoalition.ca>

Organizations in Support of Our Recommendations Include:

