

## HOW BASIC INCOME HELPS MIDDLE INCOME EARNERS

A basic income would not only help those experiencing poverty. There are many ways that a basic income implementation would create benefits for middle income earners.



### Scenario 1: THE STATUS QUO

Our current economy is fragile and subject to shifts in global economic factors, as well as health crises.



Name: Joe/Joan Everyperson  
Income: Middle  
Nationality: Canadian  
Age: 18-118



### Earning Potential

The earning potential of the middle income earners is significantly impacted by the realities of our fragile economic system.



### CHILDCARE

For many, childcare costs a significant portion of one person's income. For couples, this means that it is not worth it to pay for childcare, so the family has only one income. For single parents, the limited amount of net income means they can barely pay the basic costs of living, and have no way to escape their precarious economic situation.



### CRISIS

When a crisis hits, be it a health concern, accident, economic upset or global pandemic, the cost of navigating the crisis can be too high to meet minimum payments, putting people in a precarious financial position, and sometimes, forcing people into poverty, from which it can be very difficult to recover.



### Small Business Owners

Small businesses are significant drivers of our economy, and the main sources of income for many Albertans. But small businesses can be risky ventures, and often don't have the resources to withstand economic turmoil or health crises.



### LOCAL SHOPPING

People living on low incomes, or who are in a financially precarious position, often make buying decisions based on price, and therefore most of their spending dollars go to international 'big box' businesses, which therefore leave the local economy.



### LOCAL ECONOMIC ACTIVITY

Small businesses are closely tied to the local economy both as drivers and as dependents. If the local economy is threatened, small businesses lose their ability to thrive and become unable to be drivers of economic activity.



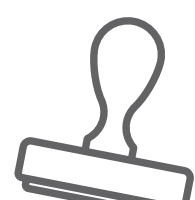
### RISK FOR ENTREPRENEURS

Small businesses are subject to many external factors, and things beyond an entrepreneur's control can quickly spell disaster for even the most promising of businesses.



### Use of Your Tax Dollars

If we don't do anything more to minimize poverty as a country, the tax rate will steadily increase as the costs of poverty continue to escalate.



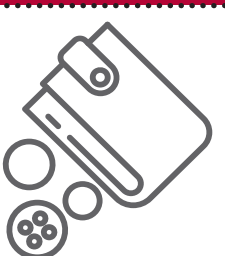
### ADMIN COSTS

Administration of the significant number of income support programs we currently have requires considerable resources in time and money.



### POVERTY COSTS

The costs associated with poverty in terms of healthcare, corrections, housing and justice are upwards of \$9B per year in Alberta alone. Across the country, those costs are more than \$80B per year.



### PEOPLE IN POVERTY

People experiencing poverty require support throughout their lifetimes. As they age, the cost of that support increases.



### Scenario 2: BASIC INCOME

A basic income is a monthly, upfront cash payment delivered unconditionally to all individuals to cover the essential costs of living. It is then taxable based on total income.



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### Earning Potential

A basic income frees enough basic capital to help middle income earners improve their economic situation, beyond the simple benefits of the basic income.



### CHILDCARE

With a basic income, many more childcare options become more affordable. This means both partners in a couple can be earners in the family. Single parents are better able to support their families and have more options to improve their financial situation through savings, re-education or even entrepreneurship.



### CRISIS

With a basic income, crisis events have less impact on an individual or family's bottom line. Rent or mortgage payments are still feasible, food is still affordable, and the need to tap into savings diminishes.



### Small Business Owners

With a basic income, small businesses become much more risk-resilient, and have the opportunity for greater profitability.



### LOCAL SHOPPING

When we no longer have to seek out the lowest possible prices, spending tends to shift to local businesses, boosting their sales and profits.



### LOCAL ECONOMIC ACTIVITY

Since a basic income tends to boost local shopping, it in turn boosts the local economy. More capital is kept within local businesses, meaning they not only earn more, but they are also able to spend more.



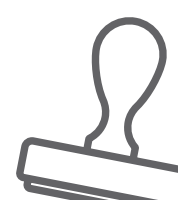
### RISK FOR ENTREPRENEURS

A basic income provides a small amount of risk protection for new business owners, both in subsidizing their income while they launch their business, as well as ensuring a larger potential customer base.



### Use of Your Tax Dollars

A basic income could reduce or eliminate many of the costs associated with poverty, and potentially increase revenue sources, meaning your taxes would remain stable.



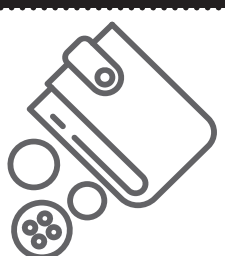
### ADMIN COSTS

Some income support programs could be rolled into a basic income, reducing the amount of time and money put into program administration.



### POVERTY COSTS

A basic income would significantly reduce the costs of poverty.



### PEOPLE IN POVERTY

As people's incomes increase, they require fewer government supports, shrinking costs associated with poverty, and increasing the tax base.



### STATUS QUO SCORECARD:



### BASIC INCOME SCORECARD:



While a basic income would not eliminate all of our financial concerns, it would have a significant positive impact on the personal finances of most Albertans.