

The *MINCOME* Project and Ontario's BIG Experiment

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Mincome

- 1974 – 1979
 - Women just entering labour force in large numbers
 - Relatively simple income assistance landscape
 - Many social programs were being expanded
 - Money flowed for 3 years (1975 – 1978)
- Canadian counterpart to US *Negative Income Tax* Experiments
- Cost-shared by federal (75%) and provincial (25%) governments

MINCOME

PURPOSE: what effects will a Basic Income have on the labour market?

Design

- 3 sites in Manitoba
 - Winnipeg (population = 450,000): standard RCT
 - [families with head < 58 years old]
 - Dauphin (population = 10,000): saturation site
 - everyone > 18 was welcome to apply and received money if income was low enough
 - Dispersed rural sites: was primarily designed as control for Dauphin

Design

- Overall sample size = 1300 individuals or families
- PAYMENT DESIGN: Negative Income Tax (refundable tax credit)
 - Families received money for three years
 - Base rate slightly above “Mother’s Allowance”
 - Benefit was taxed back by 50 cents for every dollar earned in Dauphin
 - In Winnipeg, 7 different payout and tax-back rates were designed

DAUPHIN



What happened to the project?

- Families were paid and data collected
- Provincial government changed in 1976
 - Mincome lost provincial support
- Federal minority government was hanging on by a thread
 - Other economic priorities took precedence
- Experiment ended as planned but researchers demanded more funding for analysis

What happened to the project?



1800 boxes of paper files. No database had been constructed.

Library and Archives Canada

Fifteen years later:

Hum, D. and W. Simpson. 1991. *Income Maintenance, Work Effort, and the Canadian MINCOME Experiment*. A study prepared for the Economic Council of Canada. Ottawa: Canadian Communications Group.

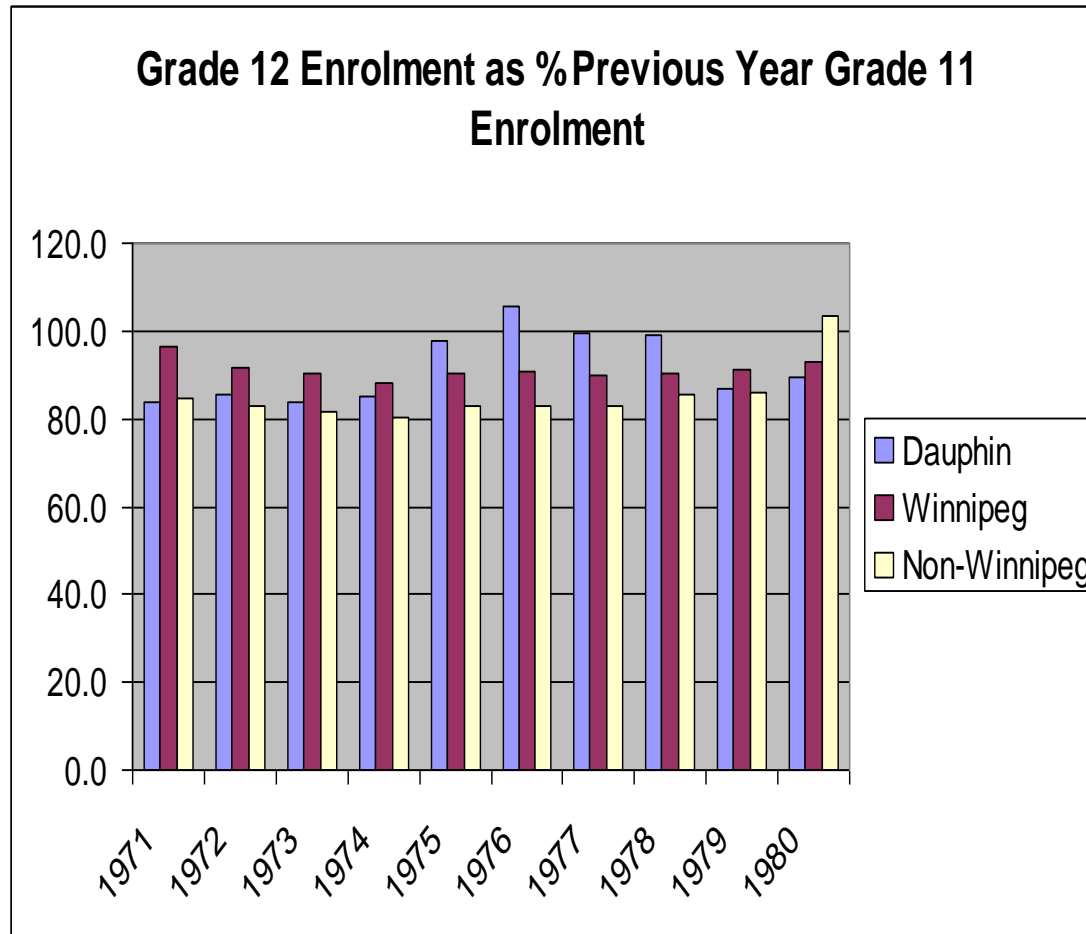
Hum and Simpson found:

- Men worked 1% fewer hours
- Women worked 3% fewer hours
- 2 groups had larger reactions
 - Married women stayed out of workforce longer when they gave birth
 - “young unattached males” significantly reduced work effort

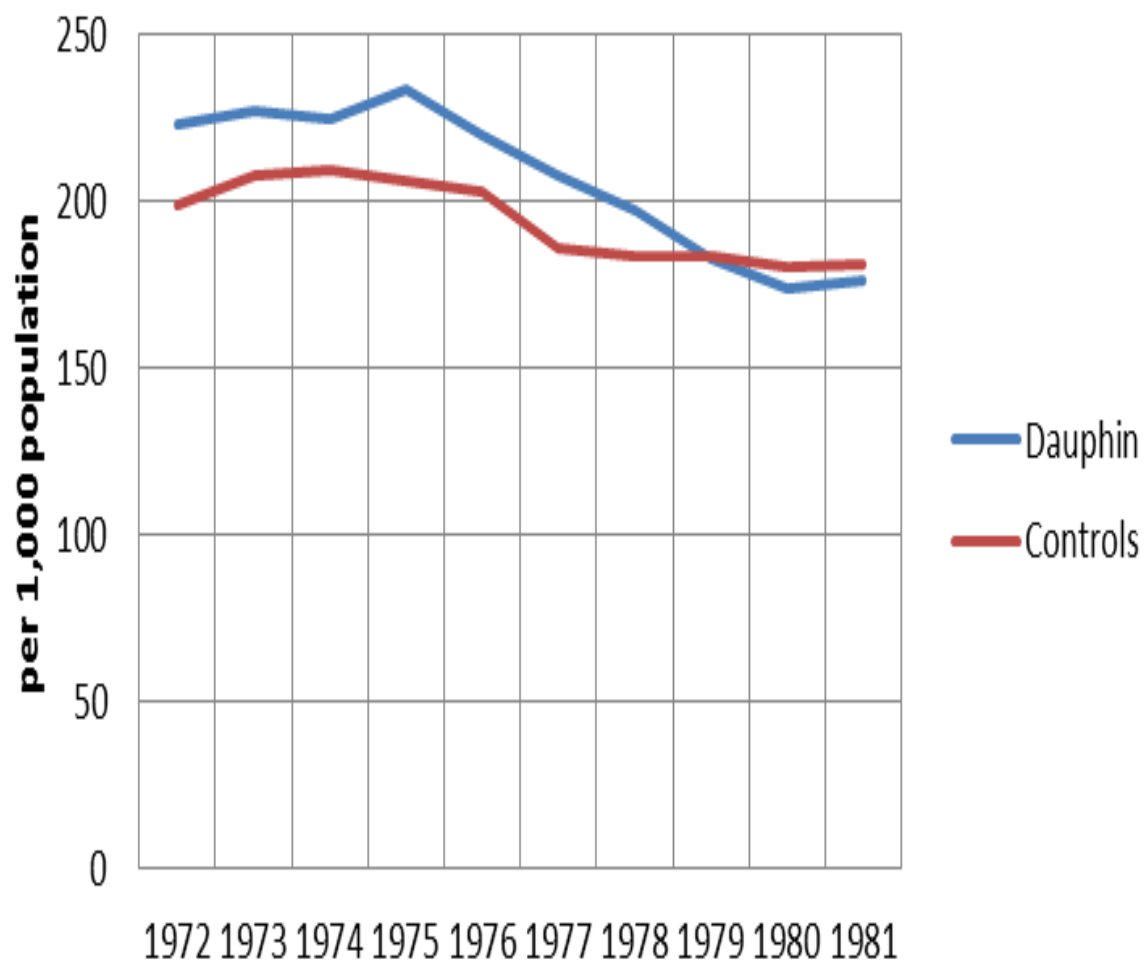
Almost twenty years later, I went looking for the “young, unattached males”

- I was interested in:
 - Quality of Life
 - Education
 - Health, especially mental health outcomes
- I used administrative data collected by the province

In Dauphin, high school completion increased



Hospitalization Rates



Hospitalization Rates

- Fell 8.5% relative to controls during experiment
- Primary reasons
 - Fewer accident and injury hospitalizations
 - Fewer hospitalizations due to mental health issues

Physician contacts– same pattern

- Slight decline in overall physician visits among Dauphin residents during MINCOME relative to controls
- Only mental health diagnoses are significant

- A 3-year experiment

Controls in each of Hamilton and

Thunder Bay; 2,000 subjects in Lindsay



HOW WILL THEY KNOW IF THE EXPERIMENT WORKED?

- Poverty reduction, food security
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- Physical and mental health
 - Career and life decisions (job training, family formation, parenting)
 - Education
 - Savings and investment decisions; financial insecurity
 - Work decisions, unpaid work, gender, labour market impact
 - Mobility and housing
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- Perceptions of citizenship and inclusion
 - Community impacts
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- Administrative costs
 - Impacts on other social programmes

