
An analysis of the addition of a cohabiting couple without children household to the VPSJ Minimum Essential Standard of Living dataset

Briefing Paper

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Introduction

In 2012 the Vincentian Partnership for Social Justice (VPSJ) made the decision to add a cohabiting couple of working age without children to the existing Minimum Essential Budget Standards (MEBS) dataset. The decision to add this household type to the dataset was taken to reflect this life stage in the research and to fill a gap in the existing data. The dataset already contained the following household types:

- One parent families with up to four children
- Two parent families with up to four children
- Single adult of working age
- Pensioner living alone
- Pensioner couple

A Minimum Essential Standard of Living (MESL) is a standard of living that meets a person's/household's physical, psychological and social needs. It is based on needs, not wants, but it is a standard of living that no one should be expected to live below. A Minimum Essential Standard of Living is derived from Consensual Budgets Standards methodology, which is based on a negotiated social consensus on what people believe is a minimum. Through exhaustive work with focus groups, detailed baskets of the goods and services vital to a household type's minimum needs are compiled. These baskets comprise of over 2,000 items and contain everything from food to household goods and services. The baskets define the minimum needs for households to live at a socially acceptable level. In order to ensure the reliability and validity of the baskets experts are consulted where necessary, in order to ensure that the negotiated consensus meets basic standards e.g. nutritional standards. The baskets are updated annually to take into account changes in inflation¹.

The Minimum Income Standard (MIS) is the second side of the consensual budget standards research. It is derived from the MESL expenditure data. The MIS defines the gross income a household needs in order to reach their minimum essential standard of living. It takes full account of the potential tax liability and social welfare entitlements of the household in question.

The VPSJ has published a number of Minimum Essential Standard of Living Reports, and the current tranche of research began in 2006. In 2006 the Vincentian Partnership for Social Justice (VPSJ)

¹ Further information on the methodology can be found in Mac Mahon, B. Carey, J. and Stokes, A. 2006. *Minimum Essential Budgets for Six Households*. Dublin: Vincentian Partnership for Social Justice.

published the first of a series of Minimum Essential Standard of Living reports; 'Minimum Essential Budgets for Six Households' which focused on urban households. Since 2006 the VPSJ has undertaken other studies to extend and build upon the dataset. In 2010 the VPSJ published 'Minimum Essential Budgets for Six Households in Rural Areas' and in 2012, the VPSJ and the Policy Institute at Trinity College Dublin published 'A Minimum Income Standard for Ireland'. The 2012 report departed from the previous approach in that instead of examining aggregate household expenditure, it established the individualised costs for each household member and two new age groups were added to the dataset, namely an infant and a 19 year old living in the family home. In the latter half of 2012, research was carried out to extend the dataset to include household compositions with up to four children, whereas previously the dataset only extended to households with up to two children.

With the addition of a cohabiting couple household the research of the VPSJ spans the spectrum of the lifecycle and the dataset now covers the minimum expenditure needs for 90% of households in Ireland.

This paper is divided into the following sections:

- The Process of Compiling the Baskets
- Expenditure for a Cohabiting Couple without Children
- Comparing MESL Expenditure & the Minimum Income Standard Between Households
- Conclusion

The Process of Compiling the Baskets

The process of compiling the basket of goods and services for this new household type began by examining in detail the basket of goods and services for the existing households in the dataset. It was decided by the research team that a large proportion of the items for the new household type could be taken from already established baskets (updated to March 2013 using the Consumer Price Index), in particular from the single adult basket and also from the two parent basket. As a result, it was not necessary to price an entirely new basket for this household type, because where appropriate, a large proportion of goods and services could be taken from existing households.

While the vast majority of costed items could be taken from the existing baskets, it was still necessary to conduct a number of focus groups to establish the minimum essential needs for the household in question. To that end, focus groups were held in November and December 2012. The

focus groups were well represented in terms of gender balance and all participants were of working age, from a mixture of socio-economic backgrounds, and living with their partners/spouses and did not have children.

The purpose of the research was explained to each focus group and the distinction between 'needs' and 'wants' was discussed, as well as the definition of a minimum essential standard of living. The focus groups considered each of the sixteen categories of expenditure. Some budget areas needed little discussion, such as the communications category for example as the focus groups did not see the need to depart to any great degree from what the other households had already established, whilst other categories such as social inclusion & participation required a more detailed discussion. The focus groups decided on the contents of the baskets and assigned life-spans to items. Below is an explanation for how the expenditure was arrived at for a number of categories of expenditure.

Food

The food basket for both the urban and rural cohabiting couple is primarily based on the urban pensioner couple food basket, as this is a two person household and the quantities of food needed do not vary considerably between the two households. However, the food basket is not identical to that of the pensioner couple food basket and a number of modifications have been made to reflect the views of the focus groups.

In keeping with the standard set for the other household types, food items are bought in Aldi or Tesco and meat is purchased in a butcher's. The decision to use Aldi and Tesco reflects the views of the focus groups. The focus groups identified these stores as representing an acceptable minimum standard. Furthermore, it is also in line with the views of other household types who also identified these stores in previous focus groups.

Whilst using the contents of the food basket from the urban pensioner couple to form the basis of the food basket for this new household type, the food basket of the cohabiting working age couple is not identical to that of the pensioner couple. There are a number of differences between the baskets to reflect the views of the focus groups and also to ensure that the concept of a minimum standard of living is, where appropriate, consistent between working age households. To that end, the cohabiting couple food basket contains sandwiches bought from a shop/deli once a week, a take-away meal once every four weeks, and Sunday lunch out in a cafe or pub once every six weeks. The inclusion of these items ensures that the food basket reflects this household's minimum needs as identified by the focus groups.

Housing Tenure

The focus groups reached a consensus that an appropriate and realistic housing tenure for this household type is the private rented sector. The decision is also supported by statistics from the 2009 -2010 Household Budget Survey, Volume 2. Data from the Household Budget Survey shows that 20.4% of two adult households are living in private rented accommodation compared to 5.6% renting from local authorities². Housing for the urban couple is based on renting a furnished one bedroom flat. For the rural household on the other hand, housing is based on privately renting a two bedroom house. The difference in dwelling types reflects the reality of the housing situation for this household type and the lack of one bedroom apartments in rural areas.

Electricity Costs

The electricity is based on the usage established in the first tranche of research in 2006, which has formed the basis of all the subsequent research. For example, in the study 'Minimum Essential Budgets for Six Households' (2006) the cost of one 7 minute electric shower per day is included for each household member and the electricity usage for the cohabiting couple has followed the standard already established for other household types.

To ascertain the cost of electricity for the cohabiting couple an online appliance calculator was used³. The PSO levy and appropriate standing charge is also applied to the particular urban or rural location. Therefore, while the cost of goods and services for a large number of items have been taken from the existing data and inflated to March 2013, entirely new electricity costs were priced for this household type in 2013.

Social Inclusion & Participation

The minimum essential standard of living baskets include a social inclusion and participation category of expenditure. This category of expenditure, which is set at a minimum level, allows for a standard of living that meets people's physical, psychological and social needs. The focus groups established for the cohabiting couple household spent a considerable amount of time discussing this area of expenditure and spoke about the importance of being able to socialise and participate in activities that are considered a normal and necessary part of everyday life.

Included in the social inclusion and participation category are sports activities and occasional trips to the cinema, as well as a small sum of money per week to allow for meeting friends for a coffee or a drink etc. In keeping with the standard already established for other rural household types in the

² Table 15 Household Budget Survey 2009-2010 Volume 2.

³ <https://www.electricireland.ie/ei/residential-energy-services/reduce-your-costs/web-calculator.jsp>

dataset, a marginally higher amount of money for weekly socialising is included for the rural cohabiting couple household to allow for the cost of a taxi on occasion as there is limited, if any, public transport in rural areas, particularly at night time. Items such as a camera and seasonal decorations, i.e. Christmas decorations, are also included in this category of expenditure.

The social inclusion and participation category also includes the cost of a holiday in Ireland. The focus groups discussed in detail the holiday requirements for this household type in terms of the type of holiday, location and cost. A consensus was reached that an appropriate minimum holiday for this household type is a self catering holiday in Ireland, in the off-season, e.g. mid May. The focus groups agreed a sum of money to cover the cost of the holiday accommodation. The research team then compared the sum of money agreed upon by the focus groups to websites offering self catering homes and apartments for rent to ensure that the money agreed upon is sufficient, but also that it is set at an acceptable but minimum level.

The focus groups also agreed a sum of money for holiday spending money. This prompted a considerable amount of discussion amongst the focus groups. A consensus was reached by the focus groups that a €420.00 is an appropriate amount of holiday spending money for this household type. This equates to €60.00 per day for a seven day holiday.

The expenditure for this new household captures what members of the public believe is necessary for a minimum standard of living. The expenditure data provides useful and relevant information on how much it costs for a cohabiting couple to have a minimum, but socially acceptable standard of living. The next section of the paper examines the minimum weekly outgoings for this household type and details the cost of each category of expenditure.

Expenditure for a Cohabiting Couple without Children

Table 1 details the weekly expenditure in urban and rural areas, excluding housing (rent) and entitlement to secondary benefits such as a medical card. The costs given in Table 1 are based on both adults in the household being in full-time employment. Expenditure is based on prices as of March 2013. The expenditure given is the weekly cost of all goods and services included in the baskets. In reality, some items in the budget such as clothes and households goods are bought outright and are not paid for on a weekly basis. However, in the MESL baskets, the costs for such items are divided by the number of weeks an item is expected to last to ascertain its weekly cost⁴.

⁴ For example a jumper that costs €20.00 and expected to last 104 weeks (2 years) costs €0.19 per week.

The cost of a minimum essential standard of living is €394.23 in urban areas and €416.28 in rural areas. This equates to an annual cost of €20,499.96 and €21,646.56 respectively.

Table I Weekly Expenditure for a Co-habiting Couple without Children

	Urban	Rural	Difference
Category			
Food	€85.24	€82.56	€2.68
Clothing	€14.26	€15.46	€1.20
Personal Care	€17.01	€16.70	€0.31
Health	€7.74	€6.37	€1.37
Household Goods	€7.09	€8.21	€1.12
Household Services	€3.46	€6.93	€3.47
Communications	€14.24	€14.24	€0.00
Social Inclusion	€70.18	€69.81	€0.37
Education	€8.80	€8.36	€0.44
Transport ⁵	€69.70	€60.97	€8.73
Household Energy	€30.81	€53.15	€22.34
Personal Costs	€11.00	€11.62	€0.62
Insurance ⁶	€39.68	€46.88	€7.20
Savings	€15.02	€15.02	€0.00
Total	€394.23	€416.28	€22.05

Food, social inclusion and participation, and transport are the three largest areas of expenditure for this household type. When housing is excluded, food accounts for 21.6% of the total weekly expenditure for an urban cohabiting couple and 19.8% of total weekly expenditure for a rural cohabiting couple, whilst social inclusion is the second largest area of expenditure, accounting for 17.8% and 16.7% of total weekly expenditure. However, while the social inclusion and participation expenditure may seem large, it must be borne in mind that this category contains the cost of a self catering holiday in Ireland, seasonal decorations such as a Christmas tree, sports activities such as swimming and football, and other items including the television licence and a newspaper once a week. Transport is the third largest area of expenditure and when housing is excluded it accounts

⁵ The urban transport costs are based each adult in the household using public transport and buying a 30 day Rambler Ticket from Dublin Bus every 4 weeks. The rural transport costs are based on the use of 1 private car for the household.

⁶ Included in this category is the cost of private health insurance. However, in our expenditure and income scenarios if a household is entitled to a medical card the cost of private health insurance is removed.

for 17.6% of total weekly expenditure for an urban household and 14.6% of total weekly expenditure for a rural household.

Explaining the Difference in the Cost of a MESL between Urban and Rural Areas

The cost of a minimum essential standard of living (MESL) varies by location and there is a difference of €22.05 between the urban and rural household. While the cost of a minimum essential standard of living is higher for a rural cohabiting couple, it must be noted that housing costs have been excluded from this analysis and rental accommodation tends to be more expensive in urban centres.

The higher cost of a MESL for rural households can largely be attributed to the type of home heating fuel used in rural areas. Following the standard already established for the other households in the MESL dataset, the cost of home heating is based on the use of gas in urban areas and oil in rural areas. This decision reflects the views and experience of focus groups, but is also supported by statistics from the 2011 Census. The 2011 Census found that Dublin City (7.1% of households) had the lowest rate of households using oil for central heating in 2011, and in general, households in cities and their suburban areas predominantly use natural gas as their central heating fuel. The Census also found that 69% of all households in rural areas used oil for central heating in 2011⁷.

While the use of different heating fuels contributes to the difference in the cost of heating between an urban and rural household, it is also important to note that so too does dwelling size. While the urban household is situated in a one bedroom flat, the costs for the rural household are based on renting a two bedroom house, and as a consequence the rural household has a larger and thus more expensive space to heat.

The modes of transport used by the household type also differ depending on the location. The urban transport costs are based on using public transport, whereas the rural transport costs are based on private transport, i.e. a car. As a minimum, one car is allowed for a cohabiting couple living in a rural area. Included in the weekly cost, is the cost of purchasing the car itself, petrol, maintenance and driving licences. In the VPSJ 2010 publication '*Minimum Essential Budgets for Households in Rural Areas*' research showed that 'rural Ireland is very car dependent with significant issues regarding the level of rural public transport on offer' (Mac Mahon, Weld & Thornton, 2010. p14)⁸. Data from

⁷ CSO, 2012. *Profile Four The Roof Over our Heads*. Dublin: Stationary Office. Available online at: http://www.cso.ie/en/media/csoie/census/documents/census2011profile4/Profile_4_The_Roof_over_our_Heads_Full_doc_sig_amended.pdf

⁸ Mac Mahon, B. Weld, G. and Thornton, R. 2010. *Minimum Essential Budgets for Households in Rural Areas*. Dublin: Vincentian Partnership for Social Justice.

Census 2011, the most recent Census available, also supports this point. Statistics from the Census reveals that public transport (bus, minibus, coach, train, DART and Luas) was more prevalent in Dublin in 2011. Public transport was used by 21 per cent of commuters (93,034 persons) compared to only 1.8 per cent of commuters living in the aggregate rural area⁹. As a car is included for the rural households, the cost of car insurance must also be included and this is the reason for the higher insurance costs for the rural household.

Table 1 demonstrates that for the most part there is only a marginal, if any, difference in the cost of a minimum essential standard of living for the majority of categories of expenditure. For categories such as communications, and savings and contingencies, there is no difference in cost between an urban and rural household, while personal care, clothing and food show only a marginal difference in cost. By and large, it is the different type of home heating fuel and their respective costs that is the most notable difference between an urban and rural cohabiting couple, while the different modes of transport also features as a significant area of difference.

The next section of the paper compares the cost of a MESL for a couple without children to that of a single adult living alone. For the purposes of this paper, only urban households are compared.

Comparing MESL Expenditure & Minimum Income Standards between Households

The cost of a Minimum Essential Standard of Living (MESL) is not static. It varies, as illustrated above, by location, but also by employment status and of course household composition.

This section of the paper compares minimum essential expenditure for an urban based cohabiting couple of working age to that of a single adult of working age, living alone. The paper then compares the Minimum Income Standard (MIS) for a cohabiting couple to that of a single adult living alone.

Expenditure

The figures given in Table 2 are for March 2013 and are based on all adults being in full-time employment and exclude any entitlement to secondary benefits such as a medical card. Housing costs are based on the average cost of renting a 1 bedroom flat in Dublin in Q1 2013, based on information from the Private Residential Tenancies Board (PRTB).

⁹ CSO, 2012. *Census 2011 Profile 10 - Door to Door*. Dublin: Stationary Office.

Table 2 Comparing the Weekly Cost of a MESL between a Cohabiting Couple & Single Adult Living Alone

	Cohabiting Couple	Single Adult	Difference
Food	€85.24	€57.92	€27.32
Clothing	€14.26	€10.95	€3.31
Personal Care	€17.01	€13.91	€3.10
Health	€7.74	€5.12	€2.62
Household Goods	€7.09	€6.09	€1.00
Household Services	€3.46	€3.46	€0.00
Housing (private rented)	€140.44	€140.44	€00.00
Communications	€14.24	€9.51	€4.73
Social Inclusion	€70.18	€38.66	€31.52
Education	€8.80	€5.48	€3.32
Transport	€69.70	€34.55	€35.15
Household Energy	€30.81	€27.95	€2.86
Personal Costs	€11.00	€6.42	€4.58
Insurance ¹⁰	€39.68	€21.26	€18.42
Savings	€15.02	€10.01	€5.01
Total	€534.67	€391.73	€142.94

Table 2 illustrates that the weekly cost of a minimum essential standard of living (not taking into account entitlement to secondary benefits) is €534.67 for a cohabiting couple of working age, compared to €391.73 for a single adult of working age, living alone. There is a €142.94 difference in the weekly cost of a MESL between the two households, and, as to be expected, costs are higher for a cohabiting couple, but not double the cost of a single adult. The MESL basket for a single adult is 73.3% per cent of the cost of a MESL for a cohabiting couple. Food, social inclusion and participation, and transport are three of the categories where there is a considerable difference in cost between the two households. While there is not a notable, if any difference, in the cost for a number of categories, including housing, household goods and household services. A number of categories of expenditure are analysed below.

¹⁰ Included in the insurance category is the cost of private health insurance and home contents insurance.

Categories of Expenditure that Demonstrate a Notable Difference in Cost

Food

The cohabiting couple spend €27.32 more on food per week than a single adult living alone. In both households food is primarily purchased in Aldi, with a number of items bought in Tesco and meat items purchased in a Butcher. As to be expected, due to economies of scale the cost of food for a cohabiting couple is not double the single adult's spend on food. Similarly, in the UK, research by the Centre for Research in Social Policy (CRSP) at the University of Loughborough on minimum essential living standards also found that the food spend for a cohabiting couple is not double that of a single adult and their data shows that in 2013 the weekly food spend for a cohabiting couple is £86.08, compared to £50.11 for an adult living alone¹¹.

Social Inclusion and Participation

Social inclusion and participation is a large category of expenditure, it includes not only hobbies and a small sum of money for socialising, but also the cost of a holiday in Ireland, seasonal decorations and the cost of a television licence.

There is a difference of €31.52 per week in the cost of social inclusion and participation between the two household types. Analysing the basket in greater detail reveals that the cohabiting couple spend €13.19 per week on sports activities, such as swimming and football, while the corresponding cost for an adult living alone is €6.44. Similarly, while approximately €15 per week is included in the single adult basket for socialising, i.e. meeting friends for a coffee or a drink, approximately €30 is included in the cohabiting couple's basket.

The cost of the holiday also varies by household type. The cost of the holiday for a couple household, which includes public transport to and from the holiday destination, the cost of self catering accommodation and holiday spending money comes to €16.54 per week, while the corresponding cost for a single adult household is €9.56 per week. The single adult's holiday accommodation is based on sharing a self catering apartment with friends. Included in the single adult's basket is approximately €300.00 holiday spending money. The cohabiting couple household reached a consensus that approximately €420.00 should be included for holiday spending money and that they did not need double the amount that is included in the single adult basket as they would be less inclined to socialise as frequently as a single adult on holiday with friends.

¹¹ Further information on the UK MESL research can be found here: <http://www.lboro.ac.uk/research/crsp/mis/>

Finally, while costs differ for a number of items within the social inclusion and participation basket, the cost of seasonal decorations e.g. Christmas tree and lights etc, the television licence and camera does not vary between the household types.

Transport

The transport costs for both households are based on public transport, which allows for a monthly ticket per person and also a Nitelink ticket once a week. In this instance, transport costs for the cohabiting couple are double that of a single adult household. When all categories are examined, the greatest difference in cost between the two households is the cost of transport. The difference accounts for approximately 25 per cent of the total difference in cost between the household types.

Insurance

The figures given in table 2 are the full cost of goods and services without any entitlement to secondary benefits such as a medical card. As a consequence, the full cost of private health insurance is included in the insurance category of expenditure, and as to be expected, a cohabiting couple's minimum insurance expenditure is substantially higher than that of a person living alone. In the income scenarios however the cost of health insurance is removed from the basket when a household is entitled to a full medical card.

The difference in the cost of food, social inclusion and participation, transport and insurance explain the bulk of the difference between the two household types. These four categories of expenditure account for 77% of the total difference in cost between the two household types. While these categories of expenditure show considerable price differentials, a number of other categories demonstrate little or no difference in cost.

Categories of Expenditure that Demonstrate Little or No difference in Cost

Housing

Housing is the single largest area of expenditure for both household types. The cost of housing is based on the Private Residential Tenancies Board (PRTB) Rent Index for Q1 2013. The average cost of renting a one bedroom flat in Dublin in this period is €608.59 per month, which equates to €140.44 per week¹². Private rented accommodation accounts for 26.6% of total weekly expenditure for a cohabiting couple household and 35.8% of total weekly expenditure for a single adult living alone. This category of expenditure demonstrates not only the large financial burden associated with

¹² More information on the PRTB Rent Index can be accessed here: <http://www.prtb.ie/landlords/rent-index>

private rented accommodation, but also how a person living alone can feel that burden all the more acutely than a multiple person household.

Household Goods

The content of the household goods category is based on both household types renting a furnished one bedroom flat. The cohabiting couple spend €1.00 more per week on household goods than a single adult living alone. Given that both households are living in a 1 bedroom apartment, there is no difference in the quantity of a large number of items such as bed linen and cooking utensils etc and hence only the marginal difference in expenditure between the two households. The slightly higher cost for a cohabiting couple can be attributed to more frequent use of items such as toilet roll and washing powder etc.

Household Services & Household Energy (Gas)

There is no difference in the cost of the household services category, which highlights that certain items of expenditure do not always fluctuate by the number of people in the household. Similarly, when the household energy category is analysed, which includes the cost of gas to heat the home, there is no difference in the cost of home heating between the two household types. A home that is adequately heated to an appropriate heating standard will cost the same regardless of the number of people in the household. This point underscores the fact that people living alone can incur some of the same expenses as a multiple person household.

Communications

There is a €4.73 per week difference between households for this category of expenditure. In the couple household, as is the norm, each adult has their own mobile phone, whereas obviously only one mobile phone is included in the single adult basket. Therefore, the need for each individual to have their own mobile phone results in higher costs for the couple household. However, the cost of the internet, which in this instance is a dongle, does not fluctuate by household type.

Overall, there is €142 in the difference in the cost of a minimum essential standard of living between a cohabiting couple and that of a single adult household. Categories that demonstrate the greatest difference in cost include food, transport, social inclusion and participation, and insurance, while there is very little, if any difference, in cost for categories including housing (rent) and home heating fuel. By establishing the expenditure data for a cohabiting couple household the VPSJ research can highlight the financial implications of living alone, or the impact that moving from a single person household to a couple household can have.

Having analysed how expenditure for a cohabiting couple compares to that of a single adult living alone, the paper moves on to examine the Minimum Income Standard for both household types.

Minimum Income Standard

The calculation of the Minimum Income Standard starts by calculating the household type's income on the basis of each employed adult earning the National Minimum Wage (€8.65 per hour). The income scenario is based on all adults in the household being employed full-time, on the basis of a 37.5 hour week. The MIS method, calculates the PAYE income tax liability, PRSI contribution and amount of USC payable, and also assesses eligibility for any social welfare entitlements applicable to the household type. Where the minimum wage does not provide the basis for an adequate household income (net salary plus any social welfare entitlements), the MIS method recalculates household income on the basis of incremental increases in salary, re-assessing the adequacy of household income at each increment. The MIS method involves multiple iterations of these calculations, each iteration representing a €0.10 incremental increase in hourly salary. The Minimum Income Standard for a household is reached at the point where total household income meets the MESL expenditure need of the specified household type.

Table 3 Minimum Income Standard for a Cohabiting Couple and Single Adult Household

	Cohabiting Couple	Single Adult
Expenditure	€534.67	€390.58
MIS	€33,735.00	€23,692.76
Hourly Wage	€8.65	€12.15

Table 3 illustrates the expenditure and necessary income that each household requires to have a minimum essential standard of living. The expenditure for a cohabiting couple is €534.67 and €390.58 for a single adult. The single adult household qualifies for a GP visit card and hence their expenditure has been reduced as the cost of their GP visits have been removed from the basket. The Minimum Income Standard for the cohabiting couple is €33,735.00, compared to €23,692.76 for a single adult living alone. While the national minimum wage is sufficient for a cohabiting couple, it is insufficient for a single adult living alone. The single adult household needs to earn €12.15 per hour, which is €3.50 above the current national minimum wage rate.

The MIS demonstrates that in this scenario an employed two person household needs a lower hourly rate than a person living alone as there are two incomes from which to meet all necessary outgoings.

In this particular instance, a cohabiting couple have a sufficient income when both are earning the national minimum wage, while an adult living alone does not. Moreover, as demonstrated above, expenditure for a two person household is not double that of a person living alone and in this instance costs such as housing and home heating fuel remain the same regardless of whether it is a one or two person household.

The MIS clearly defines what individuals and households need to earn in order to have a standard of living that meets their physical, psychological and social needs. The comparison of a cohabiting couple household to that of a single adult living alone highlights that living as a couple can be less expensive than living alone and that living arrangements and household composition affect not only household expenditure, but also the income that is required to meet the cost of a minimum standard of living.

Conclusion

The addition of a cohabiting couple household to the dataset of the VPSJ fills a gap in the existing data and provides useful and much needed information on the cost of a minimum essential standard of living for this household type. The data, which covers both urban and rural areas, clearly illustrates the minimum essential needs of this household type and what it costs to meet those needs.

The research shows that when housing is excluded, the cost of a minimum essential standard of living (MESL) is higher in rural areas due greater home heating and transport costs. The use of oil as a home heating fuel in rural areas is more expensive than gas which is used by urban households, and also the lack of public transport in rural areas which necessitates the need for a car, makes the cost of minimum standard of living more expensive for a rural cohabiting couple when compared to their urban counterpart. This demonstrates that the cost of a MESL for the same household type is not necessarily uniform and is dependent on the availability of goods and services in a particular area.

The paper also compared the expenditure and Minimum Income Standard (MIS) of an urban based cohabiting couple to that of a single adult living alone. The data demonstrated that the MESL basket for a single adult is 73.3% per cent of the cost of a MESL for a cohabiting couple. Food, social inclusion and participation, and transport are three of the categories where there was a considerable difference in cost between the two households. While there was not a notable, if any difference, in the cost for a number of categories, including housing, household goods and

household services. Moreover, the MIS for each household type highlighted that there can be a financial burden associated with living alone. The data demonstrated that while the national minimum wage (NMW) of €8.65 per hour provided a sufficient income for a cohabiting couple (both working full-time and each earning the NMW) it was inadequate for a single adult living alone.

As a result of the addition of the co-habiting couple without children the dataset of the Vincentian Partnership for Social Justice now covers the minimum expenditure needs for 90% of households in Ireland. Knowing the minimum expenditure needs of a variety of household types and the gross income required to meet those needs can be used as a tool to examine the adequacy of services, wage rates and social welfare entitlements in Ireland.