



Minimum Essential Budget Standards in Ireland

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Since 2000 the Vincentian Partnership for Social Justice (VPSJ) has been engaged in an effort to establish the cost of a minimum essential standard of living for different households in Ireland. A Minimum Essential Standard of Living (MESL) is defined as one which meets a person's physical, psychological, spiritual and social well being. The Vincentian Partnership for Social Justice is an NGO which was established in 1996 to work for social and economic change tackling poverty and exclusion. As a result of working with people in disadvantaged communities the VPSJ is very aware of the considerable struggle of people on low incomes to live with dignity. From 2000 onwards the VPSJ has undertaken a number of studies to raise awareness of the daily reality of living on a low income and to provide data on the cost of an acceptable standard of living.

★ **2000–2001: One Long Struggle – A Study of Low Income Families**

This report showed that it was impossible to live with dignity and provide children with adequate food, clothing, etc. on the lowest social welfare rates or on the national minimum wage.

★ **2003–2004: Low Cost but Acceptable Budget Standards**

The principal aim of this study was to provide detailed information on the actual cost of a low cost but acceptable living standard for three household types: lone parent and two children, two parents and two children, and pensioner couple.

★ **2006: Minimum Essential Standard of Living for Six Households**

Using the Consensual Budgets Methodology of the Family Budget Unit (FBU) of the University of York and the Centre for Research in Social Policy, University of Loughborough (CRSP) this study provides detailed information for six household types:

- ★ one adult and two children (age 3 and 10)
- ★ two adults and two children (age 3 and 10)
- ★ two adults and two children (age 10 and 15)
- ★ pensioner couple (age 66–69)
- ★ lone female pensioner (age 70+)
- ★ single adult male (age 25+).

Methodology – Consensual budgets

The current methodology used by the Vincentian Partnership for Social Justice is a combined approach, i.e., the Consensual Budget Standards informed by expert opinion. In order to construct a Minimum Essential Budget Standard, people living in the household types for which it is designed are brought together in focus groups to act as their own budget standard committees. Each focus group is carefully sampled to include people from different social backgrounds and economic circumstances. The actual expenditure choices and judgements that are made by people in real life on the ground as they manage their money contribute to the final consensus. Ultimately, the people themselves are the 'experts' (Middleton, 2000:62–23). As the need arises, experts in nutrition, heating, etc. are consulted.

2008 – Upating the figures and establishing a website

The 2006 figures were upated for 2007 and 2008. To uprate the cost of the minimum essential items, inflation for each category (e.g. food, fuel, household goods etc.) was taken into account. For 2007, the inflation figures were taken from the peri-

For a detailed description of the methodology and further information see www.budgeting.ie



od mid June 2006 to mid June 2007. For 2008 the inflation period used was mid June 2007 to mid June 2008. To update income, changes in social welfare payments and the National Minimum Wage (NMW) were taken into account for each year.

The website www.budgeting.ie gives a detailed breakdown of income and expenditure for each household type and compares the findings of the study across the period 2006–2008. It is planned that the figures will be updated on an annual basis, thus allowing the changes in the financial situation of the households in this study be tracked over a period of time.

The aims of the study

- ★ Make available detailed information on the actual cost of a minimum essential standard of living for six household types.
- ★ Provide the foundations for a national database for minimum essential budget standards, which can be developed and modified for application to different family types.
- ★ Lobby for a more adequate level of income for people in receipt of social welfare payments and the minimum wage.

Principal findings of the 2006 study

- ★ An MESL was not possible for five of the six household types.
- ★ Households unable to reach an MESL
 - ★ struggle to cope on a daily basis,
 - ★ have unmet physical, mental, spiritual and social needs,
 - ★ become trapped in poverty.

Changes during the period 2006–2008

- ★ In the period 2006–2007 social welfare transfers and an improvement in the National Minimum Wage increased the number of households in this study for whom a Minimum Essential Standard of Living (MESL) was possible.
- ★ The impact of the 2008 social welfare increases (smaller than 2007) is being eroded by inflation. There was no change for 2007 to 2008 in the number of households with an MESL.
- ★ An MESL is not in place in 2008 for:
 - ★ lone female pensioners (state pension)
 - ★ households with adolescents
 - ★ single adult males

Impact of the work to date

While this is difficult to evaluate, the following developments have been registered:

1. The launch of each study was attended by a wide range of policy-makers including representatives of Government Departments, Trade Unions and NGOs.
2. There was considerable media coverage.
3. Questions were asked and responded to in the National Parliament.
4. The findings are being increasingly used in national pre-budget submission and post-budget responses.
5. The data is being used by NGOs working with people in poverty to help them manage their income.
6. The data from the different studies continues to be used in efforts to raise awareness of the impact of an inadequate income on households and on the need to increase social welfare payments and the national minimum wage to make possible a minimum essential standard of living.

The challenges ahead

- ★ To continue to lobby for social welfare payments and the National Minimum Wage which meet the cost of an MESL.
- ★ To keep the figures updated.
- ★ To commence MES budgets for rural households and for people with a disability. ::