



Research Team

Dr Bernadette Mac Mahon DC
VPSJ Director
Robert Thornton
Senior Research & Policy Officer
Noreen Moloney
Researcher



MINIMUM
ESSENTIAL
BUDGET
STANDARDS

RESEARCH CENTRE

MESL Research

- Establishes a negotiated social consensus on what people believe is required to have a MESL.
- Data specifies expenditure and income required to meet physical, psychological and social needs at a minimum but socially acceptable level.
- “Standard of living which is regarded as acceptable by Irish society generally,” and which facilitates participation in normal social activities.
- Translates these ideals/rights/concepts into a practical measure which specifies the goods and services and their costs – which are necessary to enable an MESL.

Minimum Essential Standard of Living

- MESL – Standard for the general population
- Methodology – Consensual Budget Standards 1996

Data Set

Covers six household types:

- Two Parent with 1 to 4 children
- One Parent with 1 to 4 children
- Single Adult of working age
- Co-habiting Couple of working age
- Pensioner, living alone
- Pensioner Couple

Data Set

- Differentiates between needs of urban and rural households.
- Specifies minimum expenditure needs of 142 household compositions – urban and rural.
- Report focuses on 12 representative household compositions.

MESL Costs

- Core Costs - 14 areas of expenditure 'standard items', food, clothing.
- Variable Costs - housing and childcare excluded as they vary according to circumstances.
- Effects of Secondary Benefits - e.g. medical card also excluded.

Income Scenarios

- Assessing needs of different household types.
- Include core costs, variable costs and effects of secondary benefits.

2017 Core Costs

- Core costs decreased in 2017 – 2.5%.
- Decreases – certain areas of expenditure - food, clothing.
- Increases – home heating oil, private transport, home insurance.

Overall Trends

- Urban – Reduction in minimum core expenditure for working age adults without children and pensioners – approximately 2%.
- Rural – Core costs little change – reduction in food, clothing etc offsets energy costs for larger rural household compositions. Results in a marginal reduction.

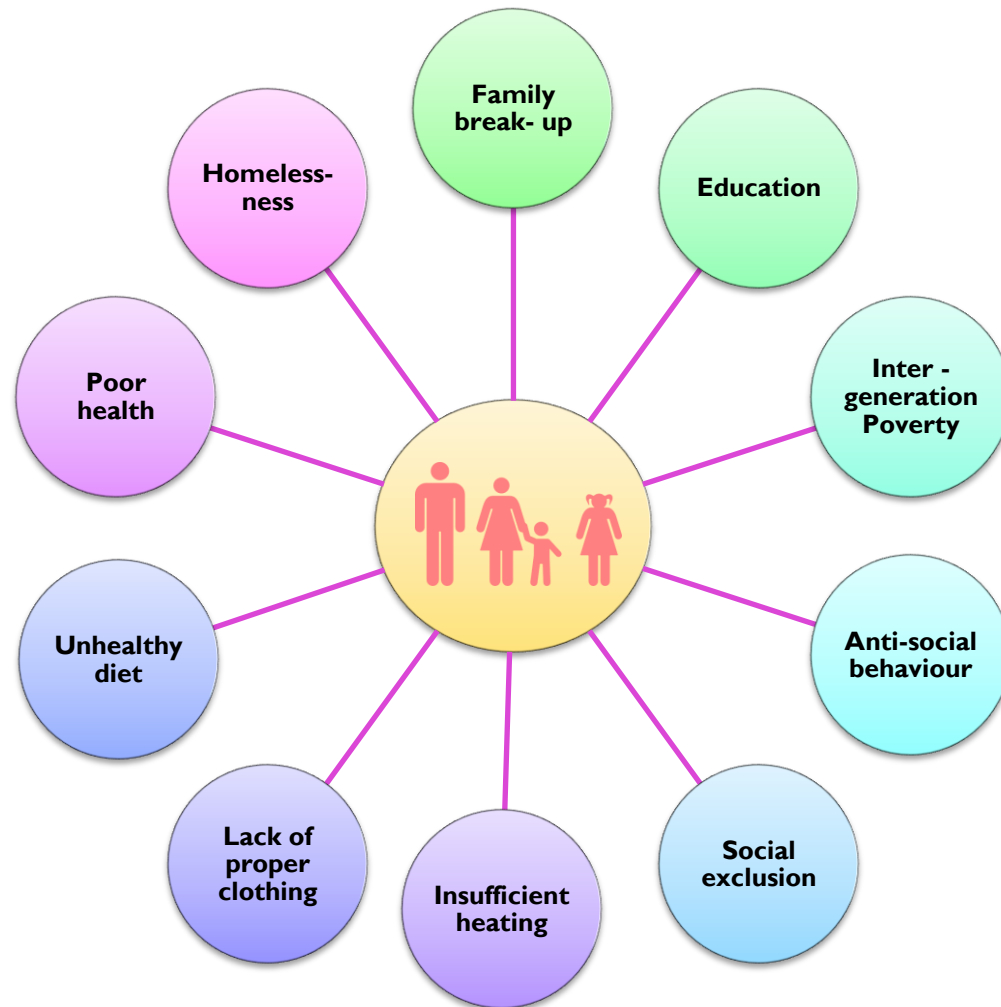
Overall Trends

- 3 years in a row – improvements in income of SW dependent households.
- Does not provide a MESL for majority of households in study.
- But does increase the proportion of necessary expenditure.
- Degree of shortfall varies by household composition and location.
- Higher MESL for households with adolescent children – results in these households having greatest income inadequacy when dependent on social welfare transfers.

Overall Trends

- Urban Pensioner living alone – adequate income from Non Contributory and Living Alone Allowance.
- Rural Pensioner living alone - inadequate income continues.
- Tapering of income supports which results in incongruous situation – some households with more employment have an inadequate income. Some households with less employment – have an adequate income from NMW.
- Services – access to social housing/differential rent/affordable childcare/medical card all play a crucial part in reducing minimum expenditure needs.

The Impact of an Inadequate Income on Households



Who Pays for An Inadequate Income?



Robert will deal in more detail with the following:

- Increases in the cost of a MESL in 2017
- Social Welfare Adequacy
- Minimum Wage and in-work supports
- Impact of services on expenditure with reference to HAP and the Affordable Childcare Scheme

Noreen will focus on households dependent on Social Welfare