



MINIMUM
ESSENTIAL
BUDGET
STANDARDS

RESEARCH CENTRE

MESL 2018

Minimum Essential Standard of Living
Update Report

Dr. Bernadette Mac Mahon D.C. Director

Robert Thornton

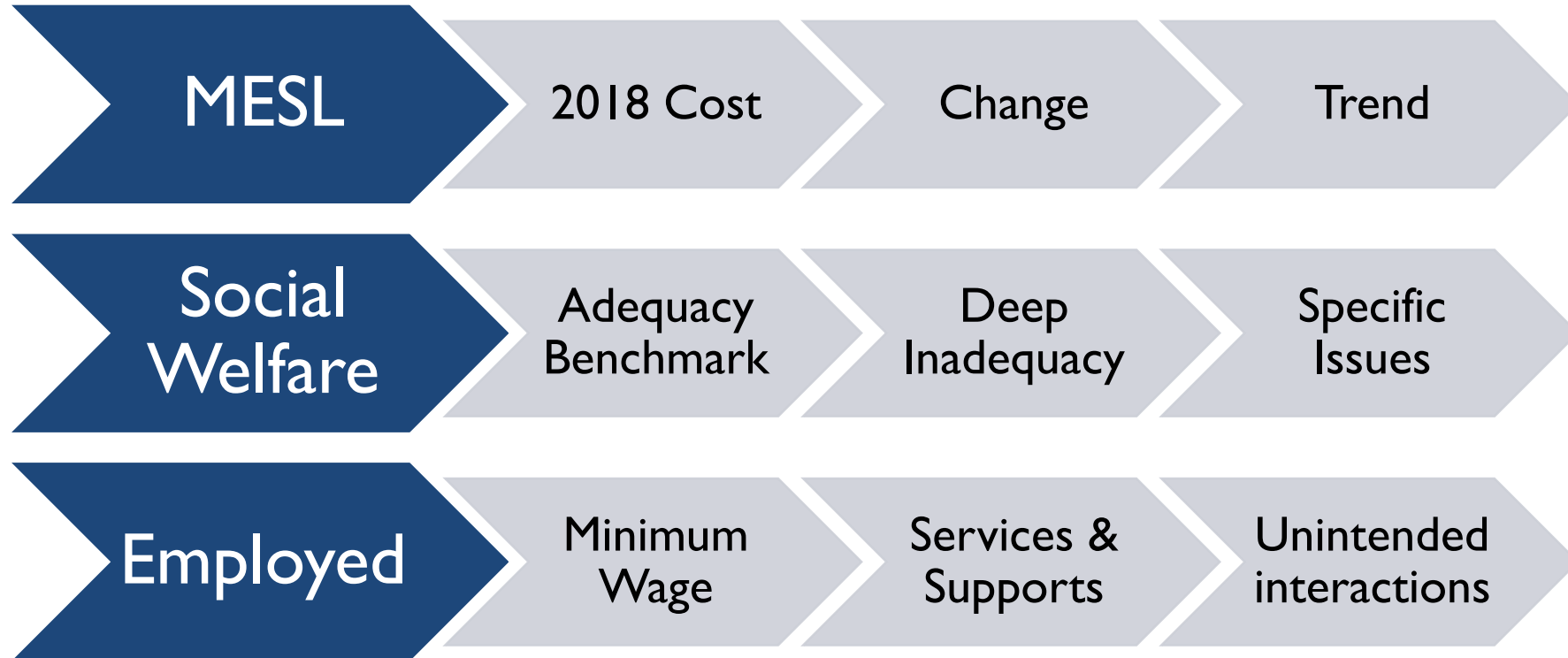
Senior Research & Policy Officer

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Outline



Cost of an MESL in 2018



-1.2%

Core MESL, excluding housing, childcare & secondary benefits

Health Insurance down 10%

Basic policy for household's without Medical Card



-0.2%

When Medical Card included

Home Energy costs up

Costs down for food, clothing, household goods



9.9%

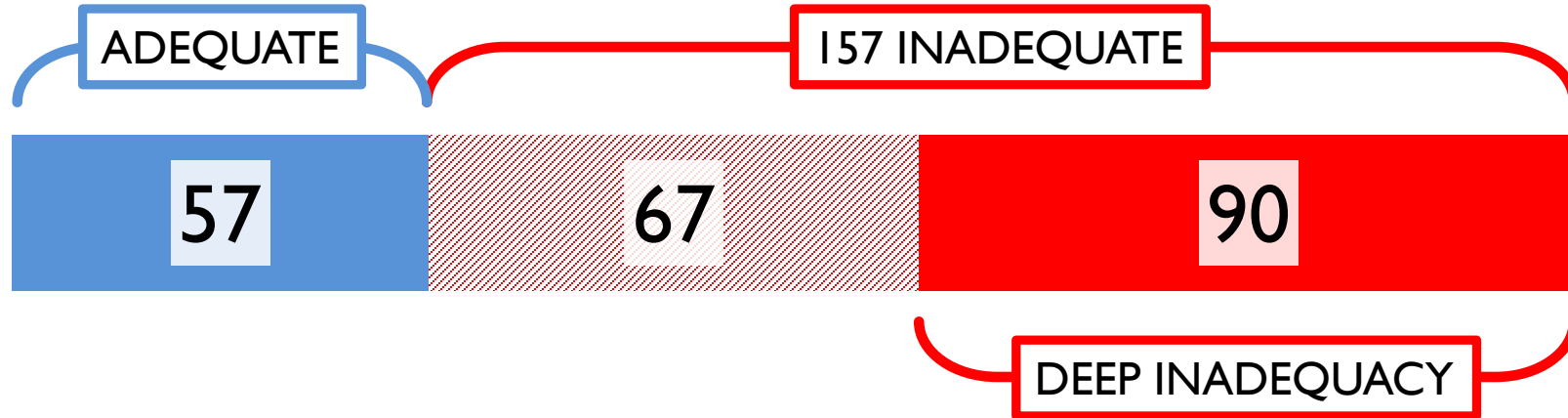
With Rent & Childcare over last 5 years

1.5% in 2018

9.7 percentage points more than indicated by CPI

SOCIAL WELFARE

Social Welfare Income Adequacy



- 'Adequacy Gap' measured
- 214 household cases examined
- Number of adequacy cases up
- 57 adequate, improvement of 12
- Number of cases within 10% up
- 90 Deep Inadequacy, down 20

Deep Inadequacy



A consistently inadequate income means doing without what is required to meet basic needs, to take part in normal activities, and to participate in society.

- Income meets less than **90%** of the cost of a Minimum Essential Standard of Living
- Older children, aged 12 and over
- Households reliant on one social welfare payment
 - Single Adult
 - One Parent households
 - Pensioner Living Alone
- Additional costs for rural households

Single Adult



MESL € 245

INCOME € 198

GAP € - 47

RECOMMENDATIONS

- Build on progress to date
- **MESL** of Single Adult as benchmark for working-age **Personal Rate**
- Aim to meet **90%** of need
- **€5** increase to Personal rate in 2019

- Deep income inadequacy persists
- Social Welfare at 81% of MESL
- Based on renting within RS limits
- If in HAP & paying top-up rent to landlord, 60 to 68% of need met
- Additional supports if long-term social welfare recipient, bring income to 66% to 73% of need

Households with Children

TP2b

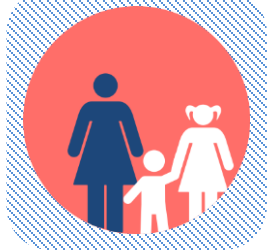


MESL € 539

INCOME € 465

GAP € - 74

OP2b



MESL € 425

INCOME € 345



GAP € - 80

RECOMMENDATIONS

- Recognise additional needs of older children
- QCI should provide an additional €5 per week for children aged 12 and over

- 80% of Deep Inadequacy cases have older children
- Social Welfare at 86% of MESL in Two Parent household
- Social Welfare at 81% of MESL in One Parent household
- Older child additional MESL need: €50
- Social Welfare meets 57% of cost for children aged 12 and over

Pensioner Households

Urban		MESL	€ 247
		INCOME	€ 255
		GAP	€ 8
Rural		MESL	€ 311
		INCOME	€ 255
		GAP	€ - 56

RECOMMENDATIONS

- Rural Transport
- Living Alone Allowance, €3 increase
- Fuel Allowance

- Pensioner couple household adequate
- Pensioner Living Alone, Non-Contributory Pension
- 3.5.% above MESL need in Urban area
- 82% of MESL need in Rural area
- Additional rural needs ⇒ deep inadequacy
- Car related costs add €59 per week

EMPLOYED

Single Adult

AVG Rent



MESL € **456**

INCOME € **343**

GAP € **- 113**

90% Avg Rent €1,030 per month

52% of MESL need

NMW income meets **75%** of MESL need

MIS of €553 required

Equivalent to 58 hours NMW

HAP



MESL € **350**

INCOME € **343**

GAP € **- 7**

HAP Reduces MESL need by €106

NMW income meets **98%** of need

MIS of €407 required,

14% above current NMW

Households With Children

- 8 Household Compositions, Two Parent & One Parent, 1 to 4 Children
- 21 minimum wage scenarios – single & dual income, full & part-time
- ‘Best case’ scenario – differential rent & community childcare subvention
- Majority of minimum wage scenarios examined adequate, in this context

- Working Family Payment / One-Parent Family Payment & Medical Card ⇒ **Community Childcare Subvention** – anomalies in interaction
- **Differential Rent** vital for enabling income adequacy at or near NMW

Conclusion

- Core MESL down for fourth year in a row
- Social Welfare is meeting a greater proportion of MESL need
- Majority remain on inadequate income – 157 of 214 cases examined
- Additional measures needed to address persistent deep income inadequacy

- Change in NMW lead to net income increase
- Increasing private rent lead to deeper inadequacy

- Community Childcare Subvention scheme contributing to adequacy, but anomalies in interaction with other supports
- Services are vital to reduce MESL costs and enable income adequacy



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