



MINIMUM  
ESSENTIAL  
BUDGET  
STANDARDS

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# MINIMUM ESSENTIAL STANDARD of LIVING

## AN EVIDENCE BASED ADEQUACY BENCHMARK

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Robert Thornton,  
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# Outline

- What is the “Minimum Essential Standard of Living” research
  - Methodology
  - Development
- Applications of the MESL data
  - Insolvency Service of Ireland
  - Living Wage
  - Evidence based adequacy benchmark
- MESL analysis of current social welfare rates

## Origins & Development



Will no one show the decision-makers what it is like to live on Social Welfare payments or the Minimum Wage?

Will no one show them just what people need to make ends meet?

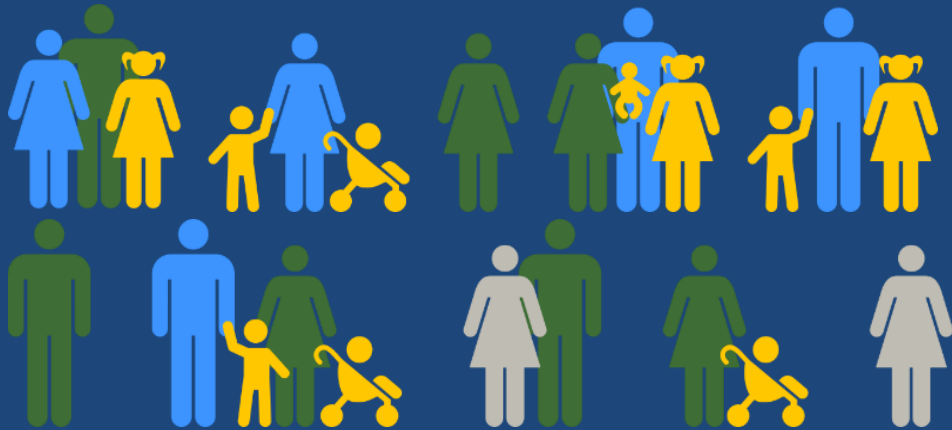
*One Long Struggle:  
A study of low income families  
(VPSJ, 1999)*

- *One Long Struggle: A study of low income families*
- Experience of 118 Dublin households, dependent on social welfare / Minimum Wage
- Majority struggled to ‘make ends meet’
- Development of Reference Budgets in response to issues highlighted
- VPSJ focused on identifying the minimum required for an acceptable standard of living

# MESL – Concept & Methodology

- The minimum needed to meet the physical, psychological and social needs
- A standard of living no one should be expected to live below
- A minimum standard for everyone, not just those in poverty
- Negotiated social consensus, with an emphasis on “Needs Not Wants”
- Counts the actual average weekly cost of the 2,000+ goods and services needed for a socially acceptable minimum standard
- Deliberative Focus Groups and iterative in-depth discussions produce a negotiated consensus on what people view as essential for a socially acceptable minimum standard
- Embodies the concepts which underpin the human right to an adequate standard of living, and reflect the Irish Government definition of poverty
- MESL provides a practical measure, a direct and tangible benchmark, uniquely grounded in lived experience
- MESL provides an alternative and complimentary evidence based measure for assessing relative poverty

90% of Irish Households



MESL Household Types

- Two Parent household, with 1 to 4 children
- One Parent household, with 1 to 4 children
- Single Adults, of working age
- Couple, working age
- Pensioner, living alone
- Pensioner Couple

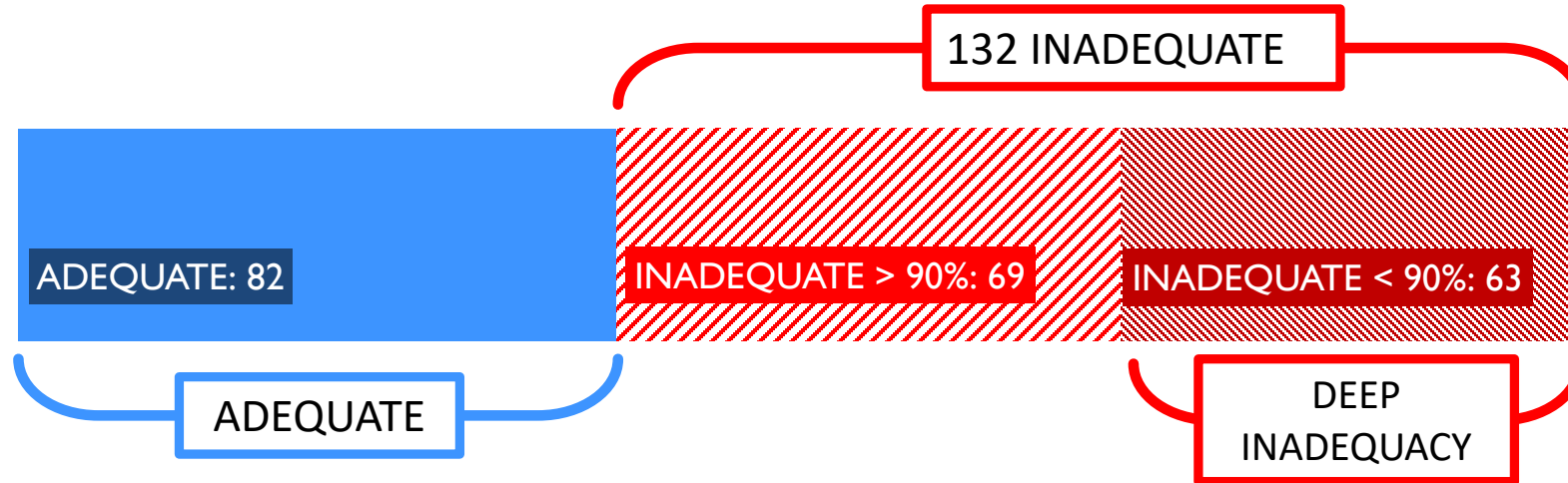
# MESL: established, credible & accepted

- Irish MESL data contributes to cross national work sponsored by the European Commission
- Established reference point in policy debate in Ireland
  - VPSJ consulted by Govt Departments on MESL analysis
  - Pre-Budget Forum, National Economic Dialogue
  - Multiple NGOs use MESL data in their advocacy work to Government
- Insolvency Service of Ireland's "Reasonable Living Expenses"
- Irish Living Wage
- Food Poverty benchmark for SafeFood (all island, includes NI research)

# SOCIAL WELFARE

Benchmarking Adequacy

# Social Welfare Income Adequacy



- 'Adequacy Gap' measured
- 214 household cases examined
- Number of adequacy cases up
- 82 adequate, improvement of 25
- Number of cases within 10% up
- 63 Deep Inadequacy, down 27



## Deep Inadequacy



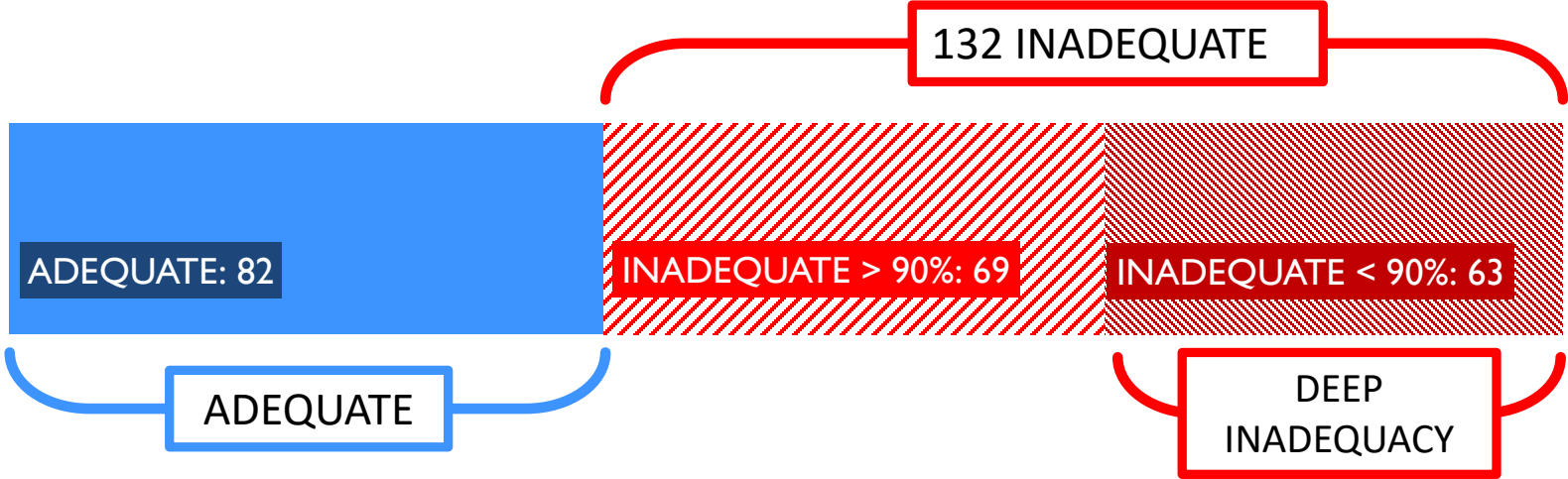
A consistently inadequate income means doing without what is required to meet basic needs, to take part in normal activities, and to participate in society.

Income meets less than **90%** of the cost of an MESL

Deep inadequacy exclusively found in:

- Households headed by one adult
  - Lone Parent households
  - Single working-age adult households
- Households with older children

# Social Welfare Income Adequacy



|                           |                               |                 |                             |          |
|---------------------------|-------------------------------|-----------------|-----------------------------|----------|
| Two Parents               | 1 to 4 children, 4 age-groups | Social Housing  | Jobseeker & Qualified Adult | 69 cases |
| Two Parents               | 1 to 4 children, 4 age-groups | Social Housing  | Jobseeker x 2               | 69 cases |
| One Parent                | 1 to 4 children, 4 age-groups | Social Housing  | OFP / Jobseeker             | 69 cases |
| Working Age (no children) | Single & Couple               | Rent Supplement | Jobseeker                   | 2 cases  |
| Pensioner                 | Living alone & Couple         | Social Housing  | State Pension               | 5 cases  |

# Conclusion

- MESL can serve as an evidence based measure of adequacy for social welfare and the minimum wage
- The MESL is a robust resource, which has been accepted as credible and valid by multiple sectors
- The examples of the analysis presented here demonstrate how the MESL data can be practically applied to inform decisions on the rates, structures and relative values of social welfare payments.

Visit the VPSJ's budget standard's research website to learn more: [budgeting.ie](https://budgeting.ie)

The full catalogue of ongoing research is available, including latest MESL 2019 data, Research Reports, Working Papers, and Submissions to Government.

Use the Minimum Income Standard calculator, [MISc.ie](https://miscalculator.ie), to examine the MESL expenditure and income needs of a specific household composition & situation.



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