

MISc.ie

a Minimum Income Standard
calculator for Irish households

BACKGROUND & METHODOLOGY

Vincentian Partnership for Social Justice

- The VPSJ was established in 1995 to work for social and economic change tackling poverty and exclusion.
- Two main approaches to achieve our goal

Active citizenship / voter education programme with communities alienated from the electoral democratic process:

'Your vote is your voice'

Development of facts and figures on the actual cost of a Minimum Essential Standard of Living (MESL).

What is a Minimum Essential Standard of Living (MESL)?

- One that meets a household's/individual's physical, psychological and social needs
(UN definition)
- The focus is on needs not wants. It is not a survival standard. It allows people to live with dignity in society.
- A standard 'for we the people not for they the poor' *(Sergeant Shriver)*

Minimum Income Standard (MIS)

- Allows for the expenditure necessary for a minimum essential standard of living.
- Growing recognition at EU level that MIS plays an essential role in answering the question ‘what is the income required for a minimum standard of living?’
- Complements other sources of information e.g. EU-SILC; Household Budget Survey; Work of Experts e.g. Nutrition, Household Energy, etc.

How is a MIS Calculated?

Using the consensual budget standards methodology people living in different household types from a variety of socio-economic backgrounds are brought together to establish by negotiated consensus the goods and services required for a minimum essential standard of living.

How is A MIS Calculated? (Cont'd)

- Three different focus groups for each household type (10-12 people per group)
- Minimum 3 Meetings & Orientation Session (51 focus groups urban and rural areas)
- Establish by consensus the goods and services required across 16 areas of expenditure
- Identify items/services; shops and providers and lifespan of items

- See Website www.budgeting.ie for detailed tables showing the average cost per week across the lifespan of approximately 2000 items.
- The lifespan of items varies from 1 week, e.g. for fruit, to 15-20 years, e.g. for furniture.
- *NB – The weekly expenditure shows the total cost per week across the lifespan for each item of expenditure.*

Studies to Date

- 2001 – One Long Struggle – A Study of Low Income Households
- 2004 – Low Cost but Acceptable Budgets for Three Household Types
- 2006 – Minimum Essential Budgets for Six Households (Urban)
- 2008 – Minimum Essential Budgets for Six Households – Changes in the Cost of a Minimum Essential Standard of Living from 2006-2008
- 2010 – Minimum Essential Budgets for Households in Rural Areas
- 2012 – A Minimum Income Standard for Ireland
- Forthcoming – The Cost of A Child

Minimum Income Standards calculator – Why?

- An attempt to make work accessible to organisations working with people on the ground in order to assist them with their budgeting.
- Informs NGOs in making submissions to policy makers.
- Informs policy makers when setting Social Welfare and National Minimum Wage Rates.
- Provide facts and figures for banking, lending, legal groups for use in negotiations between lenders and creditors.

Possible uses of the calculator

Members of the public	To assess their own minimum needs
Charities	To calculate the minimum needs of households in need
Researchers & campaigners	In assessing income adequacy
Debt advisors	Helping households budget
Policy makers	In assessing social welfare & tax policy
Creditors	Testing the affordability of credit arrangements
Trade Unions	For calculating minimum wage rates

The Cost of a Minimum Essential Standard of Living

EXPENDITURE

Categories of Expenditure

Food	Household Goods	Housing (rent/mortgage)	Childcare
Clothing	Household Services	Household Fuel	Insurance
Personal Care	Communications	Transport	Personal Costs
Health	Social Inclusion & Participation	Education	Savings & Contingencies

- Over 2000 items in the Baskets – goods and services
- Expenditure for Urban and Rural Households

Expenditure

- It is the weekly cost of all goods and services broken down over their lifespan.
- The final weekly expenditure figure contains the weekly cost of all goods and services. Some items are bought weekly such as food, others can last for many years e.g. 3 piece suite costs €900 and lasts 780 weeks (15 years) costs €1.15 per week.

Expenditure

- Expenditure is not static and is influenced by the following:
 - Composition of the households, child age groups and specific minimum essential needs
 - Employment status and the need for childcare
 - Entitlement to secondary benefits e.g. Medical Card
 - Location

What is Included in the Baskets: Examples

Parents

- Household Services – waste collection and boiler service once a year etc
- Household Goods – bookshelf lasting 20 years, bedroom carpet lasting 10 years, tea pot lasting 15 years, washing powder lasting 4 weeks etc
- Communications – 25 stamps per year to cover sending birthday/Christmas cards and letters etc, mobile phone and phone credit etc

What is Included in the Baskets: Examples

Adolescent

- 2 GP and 1 dentist visit per year
- Mobile phone and €5.00 credit per week
- Computer and Internet for educational purposes
- School books, stationary and uniforms
- 3 trips to the cinema and McDonalds per year
- Sports activities e.g. swimming/football/dancing

THE CALCULATOR

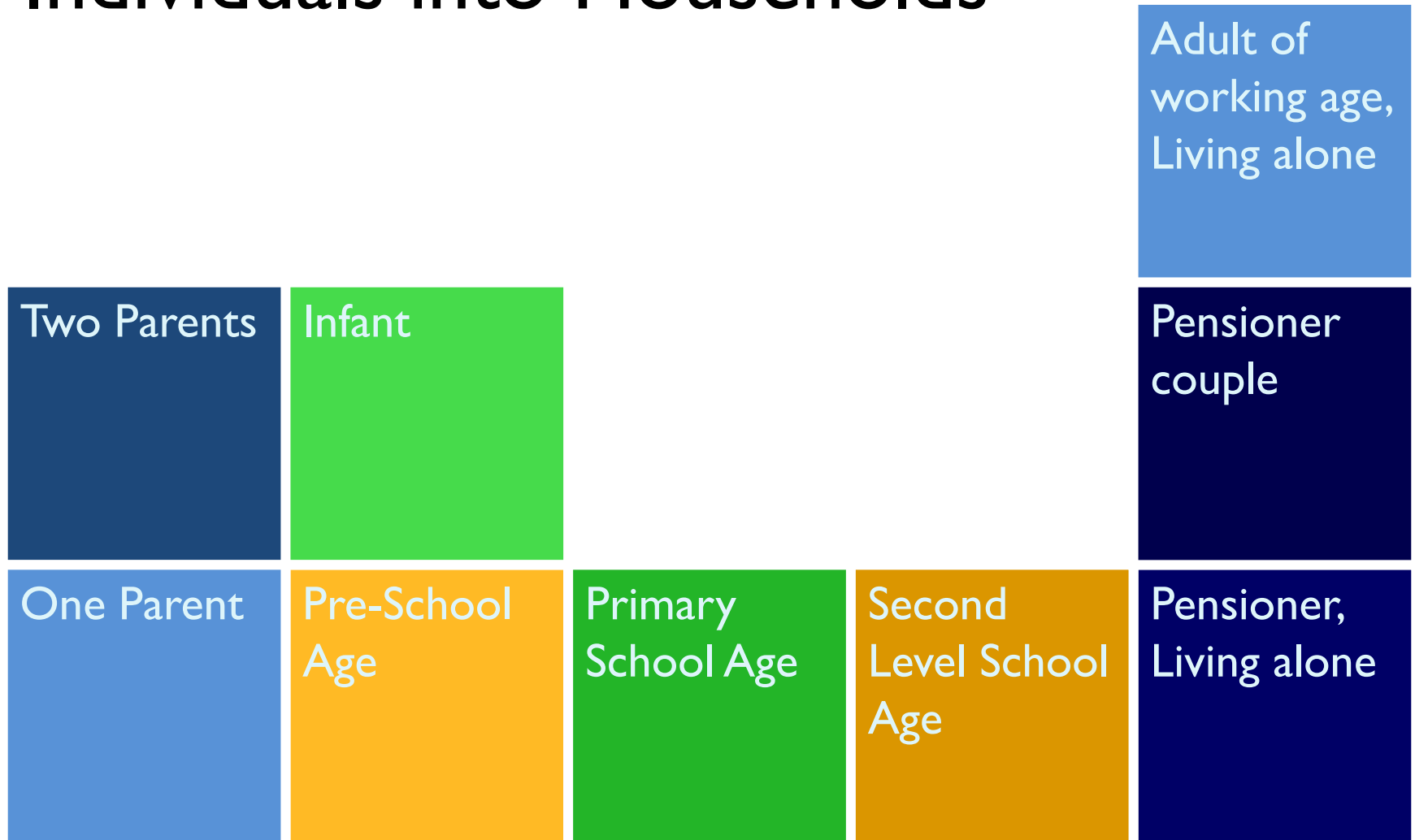
How the MISc operates

- Putting together household expenditure
- Calculating total household income
- Demonstrate the MISc in action

Household Expenditure

- Detailed expenditure budgets for individual types
- User describes household
- Calculator compiles expenditure budget for the household

Individuals into Households



Household Coverage

	30%
One Parent	9%
Two Parent	25%
Pensioner Couple	12%
Pensioner, Living Alone	8%
Single Adult	16%

CURRENTLY
70%
OF IRISH HOUSEHOLDS

Household Coverage

EXTENDED
81%
OF IRISH HOUSEHOLDS

	19%
One Parent	11%
Two Parent	34%
Pensioner Couple	12%
Pensioner, Living Alone	8%
Single Adult	16%

Household Income calculations

Assess income against the expenditure

Income need assessed in one of two ways

1. Households dependent on social welfare
(Jobseeker / One Parent Family Payment / Pensions)
2. Households with employment

Households dependent on SW

- Assume entitlement to basic payments appropriate to the household situation
- **Example – Unemployed Two Parent household**
Jobseekers payment, Qualified Adult & Qualified Child payments. Also Child Benefit, BTSCFA, and entitlement to Full Medical Card
- **Example – Pensioner, Living Alone**
Full Pension (Contributory or Non), Living Alone Allowance. Also Fuel Allowance & entitlement to Full Medical Card

Households with employment

- Assess total household income

Salary

Social
Transfers

Household
Income

- | | | |
|---------------------------------|---|------------------|
| • Gross Salary | • Child Benefit | Net Salary |
| – Income Tax | • OFP | + |
| – PRSI | • FIS | Social Transfers |
| – Universal
Social
Charge | • Fuel Allowance | |
| | • BTSCFA | |
| | • Medical Card
(impacts expenditure) | |

Households with employment

- Assess total household income
- Salary & Social Transfers
- Start with National Minimum Wage, when inadequate increase incrementally until expenditure need is matched



a walkthrough of www.MISc.ie

Okay, let's get started, simply click on start:




Start

Choose an option that best describes you.

Living In An Urban Area

- ▶ One Parent Household 
- ▶ Two Parent Household 
- ▶ Adult Of Working Age, living alone 
- ▶ Pensioner Household 

Living In An Rural Area

- ▶ One Parent Household 
- ▶ Two Parent Household 
- ▶ Adult Of Working Age, living alone 
- ▶ Pensioner Household 

Step 1 of 3

1. Employment

2. Children Info

3. Housing Type

Head Of Household Adults - Your Employment Status

Employed Full-Time	<input type="text" value="0"/> ▾	i
Employed Part-Time	<input type="text" value="0"/> ▾	i
Unemployed - Job Seeker	<input type="text" value="0"/> ▾	i
Stay At Home	<input type="text" value="0"/> ▾	i

Step 2 of 3

1. Employment

2. Children Info

3. Housing Type

Your Household - Children's Ages

First Child

Under 1



Second Child

3

Choose Age

Under 1

1

2

3

4

5



Next

Step 3 of 3

1. Employment

2. Children Info

3. Housing Type

Your Housing Type & Information

Type Of Housing

Please Select ▼
Please Select
Social Housing
Private Rented
Owner Occupied

Housing Type: Owner Occupied

Your home is owned by the occupant, you. You either own the home outright or have a mortgage.

Mortgage Repayment per Month



Results

[Print Results](#) 

[Help Guide & Information](#)

Your Household



Household Type: Two Parent Household
First Adult: Employed Full Time
Second Adult: Stay at Home
First Child: Under 1
Second Child: 3 Years of Age
Region: Urban
Housing Type: Owner Occupied

As a minimum, your household needs:

Earnings of:

€32,857.76 per year

So that your total household income, including earnings after tax and social welfare entitlements, covers your household's minimum expenditure needs.

Household Expenditure

€659.94 per week 

[Detailed Breakdown](#) ▼

Household Income

€661.10 per week 

[Detailed Breakdown](#) ▼

Important User Information

The calculation of your tax and social welfare entitlements may not be fully accurate for your situation, as not all assumptions made may apply to your particular circumstances.

[View to Learn More](#) ▶

Assumptions Used In Calculations

We've had to make certain assumptions about your circumstances in order to complete our calculations. You can adjust some of these by clicking the link below.

[Adjust Assumptions](#) ▶

Household Expenditure**€659.94** per week Detailed Breakdown **Food** € 116.11
Food for a nutritionally balanced diet.**Clothing** € 33.96
Clothing & footwear for all seasons**Personal Care** € 28.55
Personal hygiene & grooming items**Health** € 4.83
Medications, GP, Optician, Dentist, etc.**Household Goods** € 32.76
Furniture, appliances, cleaning products**Household Services** € 8.28
Waste charges, maintenance services**Household Income****€661.10** per week Detailed Breakdown **Communications** € 12.12
Telephone, post, internet (for teens)**Social Inclusion & Participation** € 62.38
The minimum for participation & inclusion**Education** € 0.00
Uniform, books & stationary, school trips**Transport** € 51.12
Weekly bus tickets for household members / car(s) and associated running costs**Housing** € 230.77
The weekly cost of your rent/mortgage**Household Fuel** € 41.23
Electricity and home heating fuel**Personal Costs** € 5.19
Donations to charity, TU membership**Childcare** € 0.00
Weekly cost of childcare**Insurance** € 4.05
Home contents, Private health, Car**Savings & Contingencies** € 28.59
Savings and life assurance**Total Expenditure € 659.94**

Adjustable Costs - Enter Your Actual Details Below

Childcare



Electricity



Home Heating



Public Transport is Inadequate



Recalculate

For calculating your minimum home heating costs we have based our calculations off a specific standard of house and fuel usage. However, your home may be less, or more, efficient than in our assumptions and so your heating costs may need to be adjusted. Any unavoidable fuel bills are a part of your costs for reaching a minimum essential standard of living, and you may adjust for that here

As a minimum, your household needs:

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So that your total household income, including earnings after tax and social welfare entitlements, covers your household's minimum expenditure needs.

Household Expenditure

€659.94 per week 

Detailed Breakdown 

Household Income

€661.10 per week 

Detailed Breakdown 

Taxable Income
(per week)

Gross Salary	€ 631.88
Income Tax	- € 13.78
PRSI	- € 20.20
Universal Social Charge	- € 31.13

Net Salary € 576.48

Social Welfare Entitlements
(per week)

Child Benefit	€ 64.62
Family Income Supplement	€ 20.00
Total Social Welfare	€ 84.62
Medical Card Eligibility	Full

Total Income € 661.10

Two Parents

Infant

Pre-School
Age

Location

Urban

Adults

1 Employed Full-Time
1 Full-Time Home Duties

Children

Infant
Pre-School Age

Housing

Owner Occupied

Housing Cost

€1,000 per month

Two Parents

Infant

Pre-School
Age

Location

Urban

Adults

| Unemployed Job Seeker
| Full-Time Home Duties

Children

Infant
Pre-School Age

Housing

Social Housing

Housing Cost

€45 per week

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RESPONDENTS

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