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# LIVING WAGE 2016 UPDATE

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An MESL Working Paper

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Robert Thornton, VPSJ

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JULY 2016



MINIMUM  
ESSENTIAL  
BUDGET  
STANDARDS  

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RESEARCH CENTRE

## MESL REPORTS & UPDATE PAPERS

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2016	Minimum Essential Standard of Living Update
2015	Minimum Essential Standard of Living Update
2015	The Cost of a Healthy Food Basket: <i>Pilot study for six household types in the Republic of Ireland</i>
2015	The Cost of a Minimum Essential Food Basket in Northern Ireland: <i>Pilot study for two household types</i>
2014	Living Wage Technical Document
2014	Minimum Essential Standard of Living Update
2012	The Cost of A Child
2012	A Minimum Income Standard for Ireland
2010	Minimum Essential Budgets for Households in Rural Areas
2008	Minimum Essential Budgets for Six Households: <i>Changes in the Cost of a Minimum Essential Standard of Living from 2006-2008</i>
2006	Minimum Essential Budgets for Six Households (Urban)
2004	Low Cost but Acceptable Budgets for Three Household Types
2001	One Long Struggle – A Study of Low Income Households

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## MESL WORKING & TECHNICAL PAPERS

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2016	Low Hour Work & Income Adequacy
2015	Living Wage 2015 Update
2015	From Welfare to Work: Examining the impact of retaining benefits when returning to work
2015	Minimum Income Standard & The Cost of Childcare
2014	Minimum Household Energy Need – Technical Paper
2014	Housing Tenure & Its Impact on the Cost of a MESL
2014	Comparing the Cost of a MESL Between Ireland & The UK, for one household type
2014	A ‘Living Wage’ In Ireland: Examining the process & potential result of calculating a ‘Living Wage’ for working age households in Ireland
2014	An analysis of the addition of a cohabiting couple without children to the MESL dataset
2013	Changes in the Cost of a MESL in Comparison to CPI Inflation
2013	Comparison of the Household Budget Survey to MIS / MESL Data
2013	Comparison of the 2012 Poverty Line and the MESL Data
2012	Review of the MESL Baskets and Addition of 3 <sup>rd</sup> & 4 <sup>th</sup> Child to Household – Briefing Note

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## BACKGROUND

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### VPSJ CONTRIBUTION TO THE ESTABLISHMENT OF THE LIVING WAGE

The Vincentian Partnership for Social Justice (VPSJ) began its work in 1999 to establish the expenditure and income required by individuals and households in order to allow for a minimum essential standard of living.

This work has its origin in the request of a group of women living in Cherry Orchard, Dublin –

*“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?”*

The first study, *One Long Struggle – A study of low income families* (1999), focused on the experience of 118 households in 12 community centres in seven parts of Dublin, dependent on social transfers and/or the National Minimum Wage for income. The results of this study showed that the majority of these households struggled unsuccessfully on a weekly basis to ‘make ends meet’. They were constantly in debt. The VPSJ then began to focus on establishing the expenditure necessary for a Minimum Essential Standard of Living – one which meets individual / households physical, psychological and social needs at a minimum but acceptable level. Since 2004 the Partnership has concentrated on establishing the expenditure needed for different household types in both urban and rural areas. The data now covers 90% of households and is updated annually. The methodology used by the VPSJ since 2006 is the widely known and methodologically rigorous Consensual Budget Standards method.

Between 2004 and 2012 the VPSJ concentrated on establishing the expenditure required by different household types in both urban and rural areas for a minimum acceptable standard of living. In 2012, the VPSJ in collaboration with the Policy Institute, Trinity College Dublin established the Minimum Income Standard (MIS) to determine the income which provides the expenditure required for a Minimum Essential Standard of Living.

In 2013 the VPSJ developed the Minimum Income Standard Calculator ([www.misc.ie](http://www.misc.ie)), which made the data available to the general population. Since then the VPSJ research data on minimum expenditure and income standards has been used in a wide variety of NGOs, Statutory Agencies and Government Departments. The data also provided the basis for the Insolvency Service of Ireland (ISI) guidelines on reasonable living expenses, and is used to analyse the impact of the cost of Childcare, Energy, Housing, and a Nutritious Diet on the cost of a Minimum Essential Standard of Living

The VPSJ is pleased, as a member of the Living Wage Technical Group, that its data forms the basis of the Living Wage hourly rate. The goal of the VPSJ is to continue working for social and economic change and the eradication of poverty. A Living Wage is one of the ways this goal can be achieved.

Dr. Bernadette Mac Mahon D.C.

*VPSJ, Director*



## INTRODUCTION

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This paper details the calculation of the 2016 Living Wage rate by the VPSJ's Minimum Essential Budget Standards Research Centre.

The update paper provides details of the calculations establishing the 2016 Living Wage rate for the Republic of Ireland, as published by the Living Wage Technical Group on July 11<sup>th</sup>.

The Living Wage for the Republic of Ireland is calculated by the Minimum Essential Budget Standards Research Centre, on the basis of the VPSJ's Minimum Income Standard (MIS) research. The rate is calculated following the approach first set out in 2014 in collaboration with the other members of the Living Wage Technical Group and detailed in the Living Wage Technical Document.

### WHAT IS THE LIVING WAGE?

The Living Wage is based on the concept that work should provide an adequate income to enable individuals to afford a socially acceptable minimum standard of living. The Living Wage is the average gross salary which will enable full-time employed adults (without dependents) across Ireland to afford a socially acceptable minimum standard of living.

Unlike the National Minimum Wage, the Living Wage is an evidence based rate of pay which is grounded in social consensus. It is derived from Consensual Budget Standards research, which establishes the cost of a Minimum Essential Standard of Living in Ireland today.

The Living Wage is calculated as the average gross salary required for a Single Adult, working 39 paid hours per week, to afford a minimum acceptable standard of living across Ireland.

One Living Wage rate for the entire country is calculated. However, the cost of a minimum standard varies across different parts of the country, due for example to the different costs of housing and different transport needs. To take account of these variations, the Living Wage calculations define four regions, calculating the differing expenditure need in each. The single national Living Wage rate is produced on the basis of an average of these four regions, weighting each region in proportion to its labour force population.

### THE LIVING WAGE AND FAMILY LIVING INCOME

The Living Wage Technical Group decided to focus the calculation of a Living Wage for the Republic of Ireland on a single-adult household. In its examination of the methodological options for calculating a robust annual measure, the group concluded that a focus on a single-adult household was the most practical approach.

While the calculation of the Living Wage is based on a single adult household, the Living Wage Technical Group recognises that households with children experience additional and

different costs which are relevant to any consideration of such households' standards of living.

To put the Living Wage rate in context, and demonstrate the additional income and social support needs of households with children, a range of Family Living Income needs are also calculated. These are updated and published in conjunction with the Living Wage rate, each year.

***This paper lays out the application of the Minimum Income Standard model in the calculation of the 2016 Living Wage rate and Family Living Incomes.***

## RESEARCH & EVIDENCE BEHIND THE LIVING WAGE

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The calculation of the Living Wage for Ireland (and accompanying Family Living Incomes) is carried out by the VPSJ, applying the Minimum Essential Standard of Living (MESL) expenditure needs data and Minimum Income Standard (MIS) model.

The Living Wage calculations apply the MIS model to a set of agreed scenarios in order to calculate a single national average rate, and an accompanying range of Family Living Income needs, in a robust and transparent manner. This section of the paper provides background on the Minimum Essential Standards research, and the multiple research projects which have established the expenditure needs dataset which underpins the MIS model.

### MINIMUM ESSENTIAL STANDARDS RESEARCH

The VPSJ has conducted Consensual Budget Standards research since 2004 to establish the robust and detailed Minimum Essential Standard of Living dataset. Over the course of multiple research projects and extensive work with focus groups, detailed baskets of the goods and services vital to a household type's minimum needs have been established. These baskets are comprised of over 2,000 goods & services and define the minimum needs for households to live at a socially acceptable level.

An MESL is a standard which no one should be expected to live below. It is the minimum needed to live and partake in Irish society today, meeting the physical, psychological and social needs of individuals and households. It is derived from a negotiated social consensus on what members of the public believe is essential for an acceptable minimum standard of living. It defines a minimum standard for everyone, not just those in poverty, identifying the cost of a dignified standard of living which allows participation in the norms of Irish life. An income below the MESL threshold means individuals & households must go without in order to make ends meet, and must forego items deemed essential for being part of Irish society.

The MESL data uniquely provides an evidence based benchmark against which to assess the adequacy of minimum rates of pay, and shines a light on the extent to which individuals and

households can afford a standard of living which enables participation in the social and economic norms of Irish society.

## MESL RESEARCH PROJECTS

The MESL expenditure needs dataset is the product of multiple research projects, each building on the previous tranche.

The current dataset is built from the research established in the 2006 *Minimum Essential Budgets for Six Household Types* (Urban), and subsequently the 2010 research *Minimum Essential Budgets for Households in Rural Areas*<sup>1</sup>

*A Minimum Income Standard for Ireland*<sup>2</sup> was published in early 2012. This research added further detail to the dataset, enabling the examination of minimum expenditure and income needs for a broader range of household types. The completion of further research, later in 2012, on the additional needs of family households with up to four children (previously the data was limited to households with up to two children), has enabled a further expansion of the coverage and utility of the dataset<sup>3</sup>.

The MESL dataset now specifies the average weekly cost of all the goods and services necessary to enable a socially acceptable minimum standard of living, for 90% of households in Ireland.

The MESL dataset is adjusted annually for all household types, in the second quarter of each year, to reflect changes in prices<sup>4</sup>. This paper utilises the VPSJ's 2016 update of the MESL expenditure data (VPSJ, 2016).

Establishing the cost of a socially acceptable standard of living opens up the space to assess the adequacy of the National Minimum Wage (and relevant social welfare supports) for various household compositions. In cases where the National Minimum Wage (NMW) does not provide the basis of an income which adequately meets the cost of a MESL, the gross salary needed to afford this standard of living can be calculated.

## MINIMUM INCOME STANDARD

The Minimum Income Standard (MIS) model establishes what an adequate income is for a household, by calculating the gross salary required to enable the household afford the cost of a Minimum Essential Standard of Living. The Minimum Income Standard model and process was established in the 2012 *A Minimum Income Standard for Ireland* study<sup>5</sup>.

The MIS calculation starts by assessing the adequacy of the household's total income, when each employed adult is earning the National Minimum Wage. The MIS method, calculates the PAYE income tax liability, PRSI contribution and amount of USC payable, and assesses eligibility for any social welfare entitlements applicable to the household type.

Where the minimum wage does not provide the basis for an adequate household income (net salary plus any social welfare entitlements), the MIS method recalculates household income on the basis of incremental increases in salary, re-assessing the adequacy of household income at each increment. The MIS method involves multiple iterations of these calculations, each iteration representing a €0.10 incremental increase in hourly salary.

The Minimum Income Standard for a household is reached at the point where total household income meets the MESL expenditure need of the specified household type.

The MIS model provides great detail on the expenditure and income needs of a large range of household compositions. There is not a single answer to what the Minimum Income Standard is. The result is complex, as the cost of an acceptable minimum standard of living varies by household type and composition, location, and employment pattern. The detail and flexibility of the MIS model therefore provides an evidence based measure, grounded in the lived experience of households, with which to assess the adequacy of wage levels across a broad variety of household composition

In this paper, the MIS calculations are based on the model updated to reflect the Tax and Social Welfare system in 2016.



## BOX I MINIMUM INCOME CALCULATION MODEL

### THE INCOME CALCULATIONS ARE BASED ON THE FOLLOWING:

- › All adults in the household being employed full-time, i.e. both adults employed in the Two Parent household compositions
- › The adults in the Two Parent household composition are jointly assessed for income tax
- › It is assumed that households are claiming all applicable tax credits and tax reliefs, as outlined
- › Where the household meets the basic eligibility criteria for the social welfare payments (listed below) the appropriate means test is applied
- › Medical Card entitlement is assessed in accordance with the national guidelines (HSE, 2015).

Tax	Tax Credits	Social Welfare Transfers
Income Tax	Single Person	Medical Card (Full & GP Visit)
PRSI	Married Couple	Child Benefit
Universal Social Charge	OPF (One Parent Family)	One-Parent Family Payment (OFP)
	PAYE	Family Income Supplement (FIS)
	Health (Tax Relief)	Back to School Clothing & Footwear Allowance (BSCFA)

### CONTRIBUTION OF SOCIAL WELFARE

The contribution of direct and indirect benefits reduces both the expenditure and income need of the household compositions. For example, in scenarios where a household composition is eligible for a full Medical Card, this reduces both the expenditure need of the household and the amount of Universal Social Charge levied on the household's gross salary. If a household composition is not eligible for a full Medical Card, but would qualify for a GP Visit card, this has a more modest impact on reducing expenditure need.

A number of direct income supports are included in the income calculations.

- › All the households, with children, are in receipt of child benefit.
- › In each scenario the household compositions are assessed for eligibility for Family Income Supplement (FIS), and the Back to School Clothing and Footwear Allowance, and where a household composition is found to be eligible the appropriate rate of payment is included in the household income calculations
- › One Parent household compositions are assessed for the One-Parent Family Payment (OFP) (where the youngest child is under 7), and where the household's earnings from work are below the means test threshold the appropriate rate of payment is included
- › Where a One-Parent household is found to be entitled to the OFP, it assumed that the household is a long-term social welfare recipient and so is also eligible for the Fuel Allowance

## CALCULATING THE RATES

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### LIVING WAGE

The Living Wage is calculated as the average gross salary required for a Single Adult, working 39 paid hours per week, to afford a minimum acceptable standard of living across Ireland.

One Living Wage rate for the entire country is calculated. However, the cost of a minimum standard varies across different parts of the country, due for example to the different costs of housing and different transport needs. To take account of these variations, the Living Wage calculations define four regions, calculating the differing expenditure need in each. The single national Living Wage rate is produced on the basis of an average of these four regions, weighting each region in proportion to its labour force population.

The Living Wage approach provides a method to distil the multiple MIS rates into a central rate of pay. This approach builds on the MIS model and methodology, and its calculation follows a clearly stated and transparent process.

To calculate the national rate, the following Minimum Income Standard calculations are carried, and the final national average rate arrived at:

- The weekly core cost a Minimum Essential Standard of Living for a working age Single Adult household type is established for four regions across the Republic of Ireland (defined in the Living Wage calculations)
- The appropriate minimum standard housing cost is identified for the household type in each region
- Having established the full minimum expenditure need for the household type in each region, the Minimum Income Standard salary rate required to afford that standard of living is calculated for each region
- The Living Wage rate is calculated from this range of regional MIS rates by producing an average wage requirement. The average is weighted by the proportion of the labour force resident in each of the four regions defined in the Living Wage calculations.

### FAMILY LIVING INCOME

To put the Living Wage rate in context, and demonstrate the additional income and social support needs of households with children, a range of Family Living Income needs are calculated, following a complimentary method to that used for the Living Wage.

The Family Living Income data summarises the varying expenditure and income needs for a set of the most commonly occurring family household compositions. For each household

composition, the range in the Family Living Income Need across the four regions is presented.

To calculate the Family Living Incomes the following steps are undertaken:

- The most common single unit household compositions, of one or two adults and one to four children, are identified
- The core weekly cost of a Minimum Essential Standard of Living (excluding housing and childcare) is compiled for each household composition, for the four regions (Dublin, Cities, Towns, Rural / Rest of Ireland)
- The MESL expenditure for childcare is determined
- The appropriate minimum standard housing cost is identified for each household composition
- Having established the full expenditure need for each household composition, the Minimum Income Standard salary rate required to afford that standard of living is calculated for each composition
- The range of income needs for each household composition across the four Living Wage regions is presented, in terms of Gross & Net Salary, and Household Disposable Income (Net Salary + Social Transfers)

**Table 1** Family Living Income Household Compositions

Household	Child Age Groups
Two Parents, 1 Child	Infant
Two Parents, 2 Children	Pre-School, Primary
Two Parents, 3 Children	Infant, Pre-School, Primary
Two Parents, 4 Children	Two Primary, Two Secondary Level
One Parent, 1 Child	Primary
One Parent, 2 Children	Pre-School, Primary

## EXPENDITURE – THE COST OF A MESL

The expenditure required for a socially acceptable Minimum Essential Standard of Living (MESL) is compiled for the Single Adult household and the six Family Living Income household compositions. The core MESL expenditure costs are drawn from the VPSJ’s 2016 MESL dataset.

MESL expenditure budgets are compiled for each of the four regions defined for the Living Wage calculations. The four regions are:

- Dublin  
Dublin City & Suburbs, and other towns in Dublin County

- Cities  
The City & Suburbs of Cork, Galway, Limerick & Waterford
- Towns  
All towns with a population of 5,000 and above (excluding those towns in Dublin)
- Rural / Rest of Ireland  
All towns & villages with a population of under 5,000 and all other rural areas

The Urban Minimum Essential Standard of Living expenditure data is used for the calculations in three of the four Living Wage regions: Dublin, Cities and Towns.

The Urban dataset was compiled with a focus on Dublin based household types. However, the pricing for the majority of goods and services was conducted in retailers that are national chains; consequently, the Dublin expenditure data is generally applicable to other Urban areas. Exceptions to this are in the categories of transport and childcare, and the pricing of these categories for the City and Town regions is detailed below.

The Rural Minimum Essential Standard of Living expenditure dataset identifies the additional and different expenditure needs of households in rural areas, small villages and towns across Ireland. This expenditure data is used for the calculations in the Rural / Rest of Ireland region.

## HOUSING

The MESL expenditure data does not specify a housing cost, rather when examining a particular scenario an appropriate housing cost is included in the overall minimum expenditure budget. The Living Wage and the Family Living Income housing costs are based on a proportion of the average cost of Private Rented accommodation. The Private Residential Tenancies Board (PRTB) average rent index is the source for the housing costs.<sup>1</sup>

For the Single Adult household type the housing cost is based on the average cost of a one-bedroom dwelling. The average for all property types is used. Given that high rents can distort the average, the Living Wage Technical Group decided to base the calculation on a proportion of the reported average. The Living Wage housing cost is 90% of the average monthly rent.

For the Family Living Income the cost is also based on 90% of the average monthly rent of an appropriately sized dwelling. For household compositions with one child, the cost is based on a two-bed dwelling. For compositions with more than one child the cost is based on a three-bed dwelling.

Using PRTB data, a weighted average rent is calculated for each region, the calculation of the regional weightings is presented in Appendix 1.

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<sup>1</sup> See [www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent\\_index\\_statbank.asp](http://www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent_index_statbank.asp)

The final 90% of Monthly Average Rent for each region is presented below in Table 2.

**Table 2** 90% of Monthly Average Rent, by Region & Dwelling Size<sup>2</sup>

	One Bed	Two Bed	Three Bed
Dublin	868.16	1106.56	1171.91
Four Cities	534.10	699.77	759.27
Towns	485.99	620.96	686.35
Rural	321.76	375.68	415.29

## TRANSPORT

Transport needs are based on the requirements identified in the Minimum Essential Standard of Living research. It establishes the type and cost of transport required for an acceptable minimum standard of living in Urban and Rural areas.

For Dublin and Cities transport costs are based on the use of Public Transport only.

In the Towns region the transport costs are based on private transport. The MESL expenditure data includes the overall cost of a car for urban households living in areas where the available public transport is inadequate.

The MESL expenditure data also includes the overall cost of a car for rural household types, as the available public transport service in rural towns & villages is found to be inadequate for enabling a minimum standard of living.

## CHILDCARE

The MESL focus group consensus on the minimum needs for childcare, determined that childcare is a necessity (when required by parental employment) for children up to second level age, but not above. The basis of the MESL childcare costs are discussed in more detail in *The Cost of a Child* report.<sup>3</sup>

The MESL childcare costs for infant and pre-school age children are based on private childcare providers. The pre-school age cost takes account of the Early Childhood Care and Education (ECCE) scheme. For primary school age children, the childcare costs include after school care when full-time childcare is required, and also care during school holidays. The costs are based on childcare being provided by a relative/friend, and the focus groups agreed on what an appropriate weekly payment to a relative or friend would be in this situation.

<sup>2</sup> Author's calculation, weighted average by region, based on latest available 2016 data from [www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent\\_index\\_statbank.asp](http://www.cso.ie/px/pxeirestat/pssn/prtb/homepagefiles/rent_index_statbank.asp)

<sup>3</sup> See: Mac Mahon, B., G. Weld, R. Thornton and M. Collins (2012), *The Cost of a Child – a consensual budget standards study examining direct costs across childhood*. Dublin, The Vincentian Partnership for Social Justice.

The Family Living Income calculations are based on all adults in each household type being engaged in full-time employment. Therefore, full-time childcare costs are included in the households' MESL expenditure needs as appropriate.

The MESL expenditure budget for childcare for infants and pre-school age children is based on price surveys of private childcare providers in Dublin City and in four rural villages across Ireland.

The Dublin prices are an average of prices surveyed, adjusted for inflation to the current year. The Rural prices are an average of the prices surveyed, adjusted for inflation to the current year.

The MESL research did not price childcare in cities outside Dublin or in large towns. The City and Town full-time childcare prices for the baby and pre-school aged child are taken from the National Consumer Agency (2011) Childcare Price Survey<sup>4</sup>. The prices are adjusted for inflation from the pricing point of the survey (mid December 2010) to the current year. For Primary School age children the MESL Urban childcare costs used.

## MINIMUM INCOME STANDARD CALCULATIONS

The Living Wage calculations use the Minimum Income Standard (MIS) method, establishing the gross salary required by a household type in order for the household's net income (salary net of tax plus any social welfare entitlements) to afford the MESL expenditure costs identified.

The MIS calculations establishes the amount of earned income that is required to afford the MESL expenditure requirement established for each household type, by region, given the current structure of the taxation and social welfare systems. More detail on the calculation model is available below, in Box 1.

## EMPLOYMENT PATTERN ASSUMPTIONS

The Living Wage rate is calculated on the basis of full-time employment, with the assumption of 39 hours in the working week<sup>5</sup>. The Family Living Income calculations are based on all adults in the household being employed full-time (39 hours per week).

For the calculation of the annual value of the hourly and weekly gross salary, we assume 52.14 weeks in the year – the number of days in a non-leap year (365) divided by the number of days in a week.

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<sup>4</sup> National Consumer Agency, 2011. *Childcare Price Survey*. Accessed online: [http://corporate.nca.ie/eng/Research\\_Zone/price-surveys/NCA\\_Childcare\\_Survey\\_PDF.pdf](http://corporate.nca.ie/eng/Research_Zone/price-surveys/NCA_Childcare_Survey_PDF.pdf)

<sup>5</sup> It should be noted that the standard MIS calculation used by the VPSJ is based on a 37.5 hour full-time working week.

The Living Wage is expressed in terms of an hourly figure. However, this hourly rate will only provide a true Living Wage when it is paid in the context of regular, consistent, full-time employment.

## CALCULATION TABLES

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### LIVING WAGE

The expenditure and income calculations for the Living Wage are presented in the subsequent table. The table details the Minimum Essential Standard of Living (MESL) expenditure need for a Single Adult household type in each of the four Living Wage regions. The Minimum Income Standard (MIS) salary required to afford the cost of a MESL in each region is also presented.

The annual, weekly and hourly Living Wage for 2016 is calculated from the set of four MIS calculations. The weighted average minimum gross salary need is calculated on the basis of the proportion of the labour force resident in each of the regions.

### FAMILY LIVING INCOMES

The budget standards data includes the MESL expenditure need for family households with one or two parents and one to four children. Households with children have both additional expenditure needs due to the larger size, and different expenditure needs due to the different needs of children and parents.

The following tables summarise the varying expenditure and income needs for a set of six common household compositions. For each household composition the range in the Family Living Income Need across the four regions is presented.

The six household compositions are:

- Two Parents with One Child (an infant)
- Two Parents with Two Children (one in pre-school & one in primary)
- Two Parents with Three Children (an infant, one in pre-school & one in primary school)
- Two Parents with Four Children (two in primary school & two in secondary school)
- One Parent with One Child (in primary school)
- One Parent with Two Children (one in pre-school & one in primary school)

**Table C Living Wage**  
*One Adult, Employed Full-Time. Living alone, no dependents*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	55.23	55.23	55.23	51.19
Clothing	9.83	9.83	9.83	7.32
Personal Care	13.04	13.04	13.04	7.15
Health	4.11	4.11	4.11	4.06
Household Goods	13.88	13.88	13.88	15.52
Household Services	6.60	6.60	6.60	11.09
Communications	9.39	9.39	9.39	9.39
Social Inclusion & Participation	38.01	38.01	38.01	45.96
Education	4.96	4.96	4.96	4.71
Transport	32.70	25.82	48.98	53.32
Housing	200.34	123.25	112.15	74.25
Household Energy	27.99	27.99	27.99	35.24
Personal Costs	7.66	7.66	7.66	8.40
Insurance - Home	2.23	2.23	2.23	2.03
Insurance - Health	11.75	11.75	11.75	11.75
Insurance - Car	...	...	16.01	8.86
Savings & Contingencies	11.50	11.50	11.50	11.50
<b>Total MESL Expenditure</b>	<b>449.23</b>	<b>365.26</b>	<b>393.33</b>	<b>361.74</b>
<b>MINIMUM INCOME STANDARD</b>				
<b>Annual</b>				
Gross Salary	27,553.38	21,046.31	23,486.46	20,842.97
Net Salary	23,477.28	19,066.64	20,610.10	18,956.36
<b>Weekly</b>				
Gross Salary	528.45	403.65	450.45	399.75
Net Salary	450.27	365.68	395.28	363.57
<b>Social Welfare</b>				
Medical Card	GP Visit	GP Visit	GP Visit	GP Visit
<b>LIVING WAGE</b>				
Weighting <sup>6</sup>	0.2922	0.0905	0.1986	0.4188
	<b>ACTUAL</b>	<b>ROUNDED<sup>7</sup></b>		
LIVING WAGE – Gross per annum	23,346.82	23,345.00		
LIVING WAGE – Gross per week	447.77	448.00		
LIVING WAGE – Gross per hour	11.48	11.50		

<sup>6</sup> Rounded weights shown, unrounded data used in calculations. The product of rounded figures will produce a different result from that shown

<sup>7</sup> Hourly figure rounded to nearest €0.05, weekly to nearest €1.00 and annual to nearest €5.00



**Table D Two Parents with One Child (an infant)**  
*Both adults employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	92.13	92.13	92.13	99.15
Clothing	27.71	27.71	27.71	28.73
Personal Care	24.10	24.10	24.10	23.65
Health	7.17	4.98	7.17	7.26
Household Goods	23.81	23.81	23.81	24.77
Household Services	9.53	9.53	9.53	13.57
Communications	13.99	13.99	13.99	13.99
Social Inclusion & Participation	54.93	54.93	54.93	57.91
Education	1.30	1.30	1.30	1.30
Transport	55.00	39.65	57.66	110.43
Housing	255.36	161.49	143.30	86.70
Household Energy	45.02	45.02	45.02	46.32
Personal Costs	11.00	11.00	11.00	11.74
Childcare	217.56	181.29	170.72	177.59
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	32.38	...	32.38	32.38
Insurance - Car	...	...	8.95	17.05
Savings & Contingencies	26.65	26.65	26.65	26.65
<b>Total MESL Expenditure</b>	<b>900.24</b>	<b>720.17</b>	<b>752.94</b>	<b>781.80</b>

#### MINIMUM INCOME STANDARD

##### *Annual, per adult employed full-time*

Gross Salary, per adult	26,536.65	19,012.85	20,639.62	22,063.04
Net Salary, per adult	22,739.48	17,946.91	18,826.69	19,593.78

##### Weekly Household Disposable Income (Joint Net Salary + Social Transfers)

Net Salary, Joint	872.25	688.41	722.16	751.58
Social Transfers	32.31	32.31	32.31	32.31
Medical Card	GP Visit	Full	GP Visit	GP Visit
Disposable Income	904.55	720.72	754.47	783.89

#### FAMILY LIVING INCOME NEED<sup>8</sup>

Annual	From	To
Gross Salary, per adult	19,015.00	26,535.00
Net Salary, per adult	17,945.00	22,740.00
Weekly	From	To
Gross Salary, per adult	365.00	509.00
Household Disposable Income	721.00	905.00

<sup>8</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

**Table E Two Parents with Two Children (one in pre-school & one in primary school)**  
*Both adults employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	121.20	121.20	121.20	133.48
Clothing	23.26	23.26	23.26	24.54
Personal Care	17.90	17.90	17.90	17.33
Health	1.32	1.32	6.88	6.53
Household Goods	19.70	19.70	19.70	20.57
Household Services	9.53	9.53	9.53	13.57
Communications	13.99	13.99	13.99	13.99
Social Inclusion & Participation	71.11	71.11	71.11	73.94
Education	8.08	8.08	8.08	8.93
Transport	60.00	43.29	57.66	110.43
Housing	270.44	175.22	158.39	95.84
Household Energy	43.55	43.55	43.55	44.84
Personal Costs	11.11	11.11	11.11	11.84
Childcare	241.15	184.61	171.13	196.43
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	...	...	36.83	36.83
Insurance - Car	...	...	8.95	17.05
Savings & Contingencies	32.40	32.40	32.40	32.40
<b>Total MESL Expenditure</b>	<b>947.31</b>	<b>778.83</b>	<b>814.23</b>	<b>861.14</b>

#### MINIMUM INCOME STANDARD

*Annual, per adult employed full-time*

Gross Salary, per adult	26,740.00	20,232.93	22,063.04	23,893.16
Net Salary, per adult	23,072.48	18,634.72	19,611.05	20,893.23

**Weekly Household Disposable Income (Joint Net Salary + Social Transfers)**

Net Salary, Joint	885.02	714.80	752.25	801.43
Social Transfers	64.62	64.62	64.62	64.62
Medical Card	Full	Full	GP Visit	GP Visit
Disposable Income	949.64	779.41	816.86	866.04

#### FAMILY LIVING INCOME NEED<sup>9</sup>

Annual	From	To
Gross Salary, per adult	20,235.00	26,740.00
Net Salary, per adult	18,635.00	23,070.00
Weekly	From	To
Gross Salary, per adult	388.00	513.00
Household Disposable Income	779.00	950.00

<sup>9</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

**Table F Two Parents with Three Children (an infant, one in pre-school & one in primary school)**  
*Both adults employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	151.00	151.00	151.00	163.28
Clothing	38.17	38.17	38.17	39.45
Personal Care	27.95	27.95	27.95	27.39
Health	5.65	5.65	8.57	8.53
Household Goods	28.90	28.90	28.90	30.00
Household Services	9.53	9.53	9.53	13.57
Communications	13.99	13.99	13.99	13.99
Social Inclusion & Participation	72.87	72.87	72.87	75.69
Education	8.08	8.08	8.08	8.93
Transport	60.00	43.29	57.66	110.43
Housing	270.44	175.22	158.39	95.84
Household Energy	47.80	47.80	47.80	49.10
Personal Costs	11.21	11.21	11.21	11.94
Childcare	458.71	365.91	341.86	374.02
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	...	...	41.27	41.27
Insurance - Car	...	...	8.95	17.05
Savings & Contingencies	38.15	38.15	38.15	38.15
<b>Total MESL Expenditure</b>	<b>1,245.05</b>	<b>1,040.30</b>	<b>1,066.92</b>	<b>1,121.22</b>

#### MINIMUM INCOME STANDARD

*Annual, per adult employed full-time*

Gross Salary, per adult	37,110.65	28,976.81	30,196.88	32,230.34
Net Salary, per adult	29,999.62	24,705.85	25,324.74	26,759.34

**Weekly Household Disposable Income (Joint Net Salary + Social Transfers)**

Net Salary, Joint	1,150.73	947.67	971.41	1,026.44
Social Transfers	96.92	96.92	96.92	96.92
Medical Card	Full	Full	GP Visit	GP Visit
Disposable Income	1,247.66	1,044.60	1,068.34	1,123.36

#### FAMILY LIVING INCOME NEED<sup>10</sup>

Annual	From	To
Gross Salary, per adult	28,975.00	37,110.00
Net Salary, per adult	24,705.00	30,000.00
Weekly	From	To
Gross Salary, per adult	556.00	712.00
Household Disposable Income	1,045.00	1,248.00

<sup>10</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

**Table G Two Parents with Four Children (two in primary school & two in secondary school)**  
*Both adults employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	228.84	228.84	228.84	249.74
Clothing	47.17	47.17	47.17	48.76
Personal Care	34.88	34.88	34.88	33.33
Health	13.65	13.65	25.39	23.57
Household Goods	26.27	26.27	26.27	27.30
Household Services	9.53	9.53	9.53	13.57
Communications	23.26	23.26	23.26	23.26
Social Inclusion & Participation	130.59	130.59	130.59	131.10
Education	47.25	47.25	47.25	44.82
Transport	65.00	46.93	73.89	121.48
Housing	270.44	175.22	158.39	95.84
Household Energy	49.10	49.10	49.10	50.40
Personal Costs	11.31	11.31	11.31	12.05
Childcare	109.61	109.61	109.61	109.68
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	45.71	45.71	45.94	45.94
Insurance - Car	...	...	8.89	17.02
Savings & Contingencies	43.90	43.90	43.90	43.90
<b>Total MESL Expenditure</b>	<b>1,159.09</b>	<b>1,045.80</b>	<b>1,076.78</b>	<b>1,094.35</b>

#### MINIMUM INCOME STANDARD

*Annual, per adult employed full-time*

Gross Salary, per adult	32,433.69	28,163.42	29,383.50	29,993.54
Net Salary, per adult	26,945.06	23,934.53	24,810.77	25,232.24

**Weekly Household Disposable Income (Joint Net Salary + Social Transfers)**

Net Salary, Joint	1,033.57	918.09	951.70	967.87
Social Transfers	129.23	129.23	129.23	129.23
Medical Card	GP Visit	GP Visit	None	None
Disposable Income	1,162.80	1,047.32	1,080.93	1,097.10

#### FAMILY LIVING INCOME NEED<sup>11</sup>

Annual	From	To
Gross Salary, per adult	28,165.00	32,435.00
Net Salary, per adult	23,935.00	26,945.00
Weekly	From	To
Gross Salary, per adult	540.00	622.00
Household Disposable Income	1,047.00	1,163.00

<sup>11</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

**Table H One Parent with One Child (in primary school)**  
*Adult employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	70.02	70.02	70.02	76.09
Clothing	13.23	13.23	13.23	13.51
Personal Care	9.33	9.33	9.33	9.52
Health	0.81	0.81	0.81	0.70
Household Goods	16.07	16.07	16.07	17.02
Household Services	7.60	7.60	7.60	11.23
Communications	9.35	9.35	9.35	9.35
Social Inclusion & Participation	45.11	45.11	45.11	48.08
Education	8.08	8.08	8.08	8.93
Transport	30.00	21.64	52.69	62.85
Housing	255.36	161.49	143.30	86.70
Household Energy	43.28	43.28	43.28	44.59
Personal Costs	7.76	7.76	7.76	8.50
Childcare	54.81	54.81	54.81	54.84
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	...	...	...	...
Insurance - Car	...	...	8.02	9.64
Savings & Contingencies	21.54	21.54	21.54	21.54
<b>Total MESL Expenditure</b>	<b>594.95</b>	<b>492.72</b>	<b>513.60</b>	<b>485.67</b>

#### MINIMUM INCOME STANDARD

##### *Annual, per adult employed full-time*

Gross Salary, per adult	33,247.07	18,606.16	18,606.16	18,606.16
Net Salary, per adult	29,477.58	18,128.15	18,128.15	18,128.15

##### Weekly Household Disposable Income (Net Salary + Social Transfers)

Net Salary	565.35	347.68	347.68	347.68
Social Transfers	32.31	179.36	179.36	179.36
Medical Card	Full	Full	Full	Full
Disposable Income	597.66	527.04	527.04	527.04

#### FAMILY LIVING INCOME NEED<sup>12</sup>

Annual	From	To
Gross Salary, per adult	18,605.00	33,245.00
Net Salary, per adult	18,130.00	29,480.00
Weekly	From	To
Gross Salary, per adult	357.00	638.00
Household Disposable Income	527.00	598.00

<sup>12</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

**Table I One Parent with Two Children (one in pre-school & one in primary school)**  
*Adult employed full-time*

MESL EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	93.15	93.15	93.15	101.38
Clothing	17.67	17.67	17.67	18.04
Personal Care	10.65	10.65	10.65	10.63
Health	1.18	1.18	1.18	0.95
Household Goods	18.58	18.58	18.58	19.52
Household Services	7.60	7.60	7.60	11.23
Communications	9.35	9.35	9.35	9.35
Social Inclusion & Participation	49.13	49.13	49.13	51.64
Education	8.08	8.08	8.08	8.93
Transport	32.50	23.46	52.69	62.85
Housing	270.44	175.22	158.39	95.84
Household Energy	43.28	43.28	43.28	44.59
Personal Costs	7.87	7.87	7.87	8.61
Childcare	241.15	184.61	171.13	196.43
Insurance - Home	2.58	2.58	2.58	2.59
Insurance - Health	...	...	...	...
Insurance - Car	...	...	8.02	9.64
Savings & Contingencies	27.29	27.29	27.29	27.29
<b>Total MESL Expenditure</b>	<b>840.50</b>	<b>679.71</b>	<b>686.65</b>	<b>679.49</b>
<b>MINIMUM INCOME STANDARD</b>				
<i>Annual, per adult employed full-time</i>				
Gross Salary, per adult	52,361.60	35,483.88	35,890.57	35,483.88
Net Salary, per adult	40,540.22	31,111.45	31,408.34	31,111.45
<b>Weekly Household Disposable Income (Net Salary + Social Transfers)</b>				
Net Salary	777.53	596.69	602.38	596.69
Social Transfers	64.62	84.62	84.62	84.62
Medical Card	Full	Full	Full	Full
Disposable Income	842.14	681.31	687.00	681.31
<b>FAMILY LIVING INCOME NEED<sup>13</sup></b>				
<b>Annual</b>	<b>From</b>	<b>To</b>		
Gross Salary, per adult	35,485.00	52,360.00		
Net Salary, per adult	31,110.00	40,540.00		
<b>Weekly</b>	<b>From</b>	<b>To</b>		
Gross Salary, per adult	681.00	1,004.00		
Household Disposable Income	681.00	842.00		

<sup>13</sup> Rounded results: weekly to nearest €1.00 and annual to nearest €5.00

## NOTES

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<sup>1</sup> See Mac Mahon et al. (2006) and Mac Mahon, et al. (2010)

<sup>2</sup> See Collins, M., Mac Mahon, B., Weld, G., Thornton, R., 2012

<sup>3</sup> See Mac Mahon, B., Weld, G., Thornton, R., 2012

<sup>4</sup> The adjustment process utilises Consumer Price Index detailed sub-indices rates from the CSO, and the process is detailed in a recent VPSJ research note (VPSJ, 2013).

<sup>5</sup> See Collins, M., Mac Mahon, B., Weld, G., Thornton, R., 2012

## APPENDIX I

The weighting for the calculation of the Living Wage is based on the 2011 Census, on the distribution of the population in the labour force<sup>14</sup>.

Table 10 Regional Weighting – persons aged 15 years and over in the labour force

Region	Census Areas	No. in Labour Force
<b>Dublin</b>		<b>652,178</b>
	Dublin City	279,128
	Dún Laoghaire-Rathdown	98,561
	Fingal	141,916
	South Dublin	132,573
<b>Cities</b>		<b>201,907</b>
	Cork City & Suburbs	95,472
	Limerick City & Suburbs	42,143
	Waterford City & Suburbs	24,883
	Galway City & Suburbs	39,409
<b>Towns</b>		<b>443,226</b>
	Towns, population > 10,000 <i>minus Dublin towns</i>	321,768
	Towns, population 5,000 - 9,999 <i>minus Dublin towns</i>	121,458
<b>Rural / Rest of Ireland</b>		<b>934,892</b>
	National Total	2,232,203
	- Dublin	- 652,178
	- Cities	- 201,907
	- Towns	- 443,226
Source:	CSO Census 2011 data	

<sup>14</sup> CSO (2012) CD305: Population Aged 15 Years and Over by Principal Economic Status, Sex, Towns with a Population of over 1,500 and Census Year.

Data accessed online on 29<sup>th</sup> April 2014

[www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD305&PLanguage=0](http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD305&PLanguage=0)