



MINIMUM
ESSENTIAL
BUDGET
STANDARDS

RESEARCH CENTRE

LOW HOUR WORK & INCOME ADEQUACY

MINIMUM ESSENTIAL STANDARD OF LIVING WORKING PAPER

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Minimum Essential Standard of Living

- VPSJ has conducted Consensual Budget Standards research since 2004

Two parts to the research:

1. **Expenditure** required for a Minimum Essential Standard of Living (*MESL*) which meets physical, psychological and social needs.
2. **Income** needed to afford the expenditure – Minimum Income Standard (*MIS*)

Minimum Essential Standard of Living



FOOD



CLOTHING



HEALTH



HOUSING



CHILDCARE



PERSONAL CARE



INSURANCE



SAVINGS



TRANSPORT



ENERGY



COMMS



EDUCATION



SOCIAL INCLUSION



HOUSEHOLD GOODS



HOUSEHOLD SERVICES



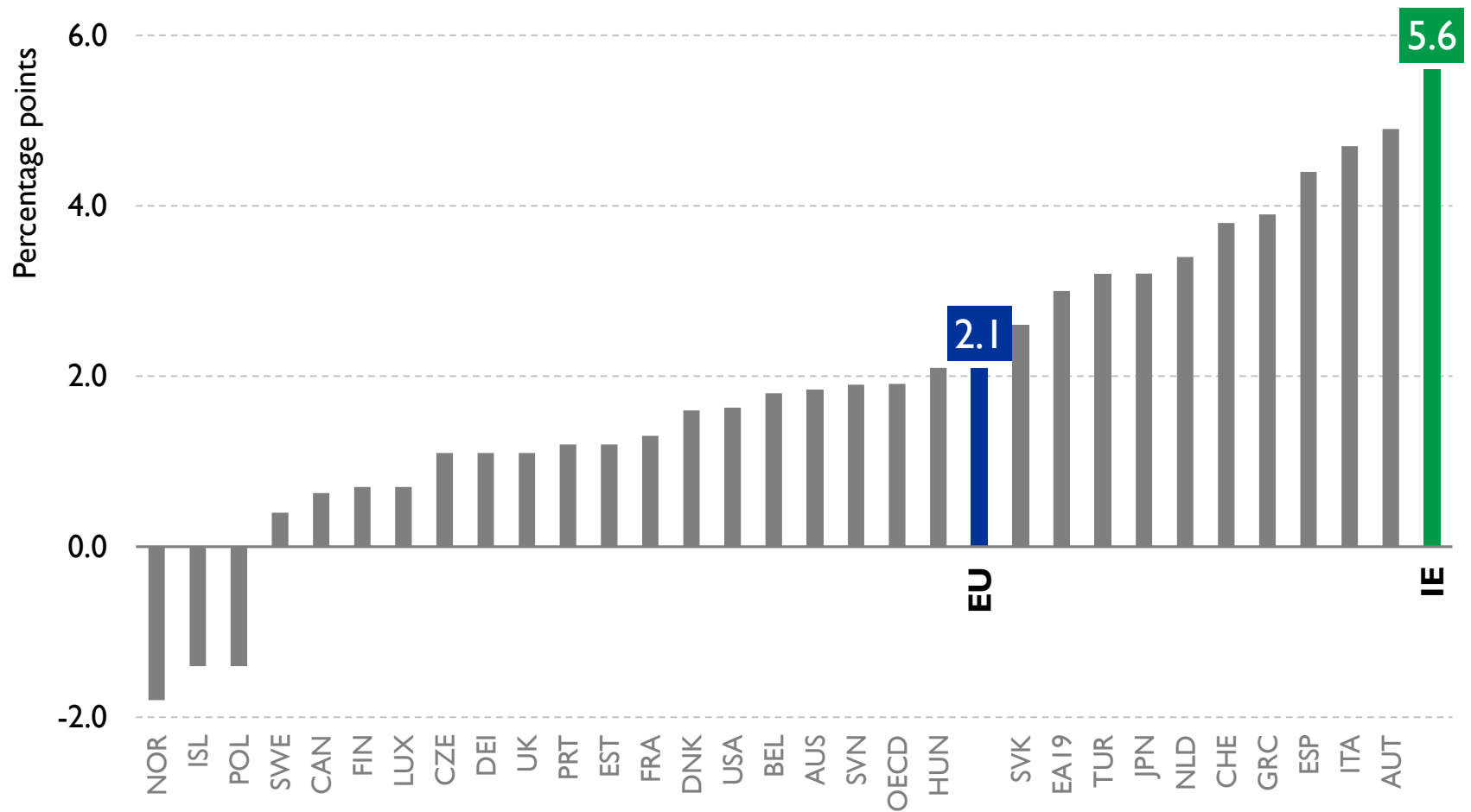
PERSONAL COSTS

- Standard which no one should be expected to live below
- Emphasis is on needs & not wants
- Cost is based on actual price of detailed basket of over 2,000 goods & services

Minimum Wage & Low Hour Work

- Minimum Wage
- Need also to look at issue of hours
- Under-employment
- How Tax & Social Welfare System interact with Minimum Wage & Low Hours

Change in Part-Time, 2007 to 2014



Supports for Low Hour Workers

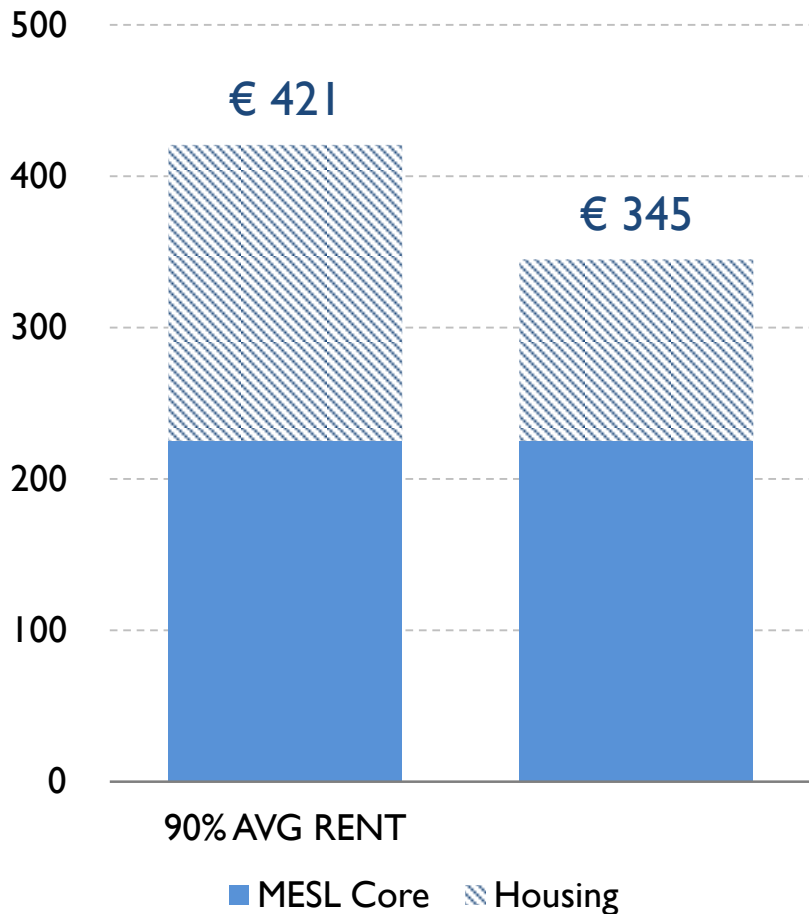
TAX

- PAYE Income Tax
 - Exempt
First 35 hours NMW
- USC
 - Exempt
If less than 27 hours NMW
- PRSI
 - Exempt
If less than 38 hours NMW

SOCIAL WELFARE

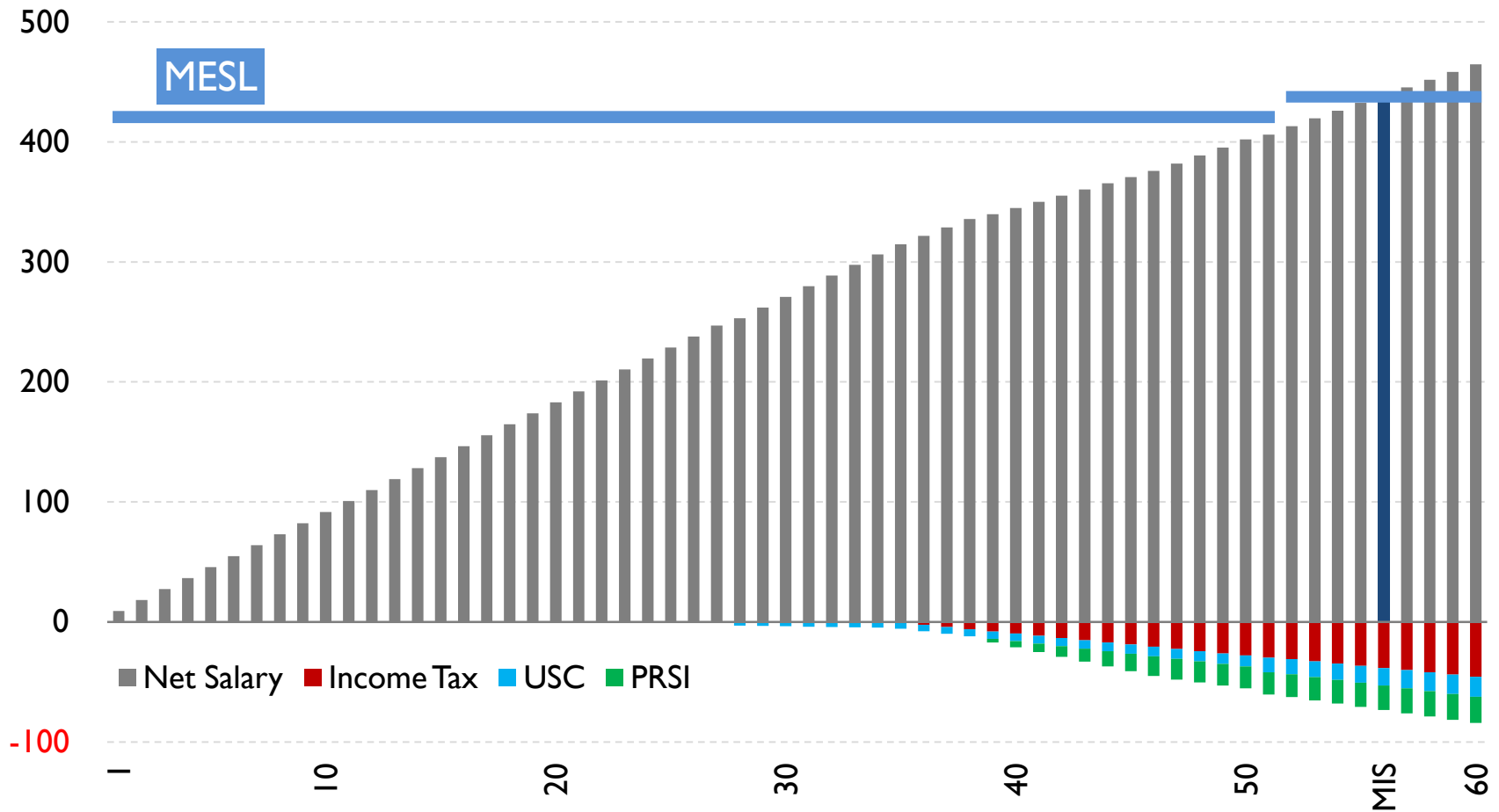
- Jobseeker's Allowance
- Part-Time Jobs Incentive
- Family Income Supplement
- One-Parent Family Payment
- Jobseeker's Allowance
Transitional

Single Adult MESL Expenditure Need



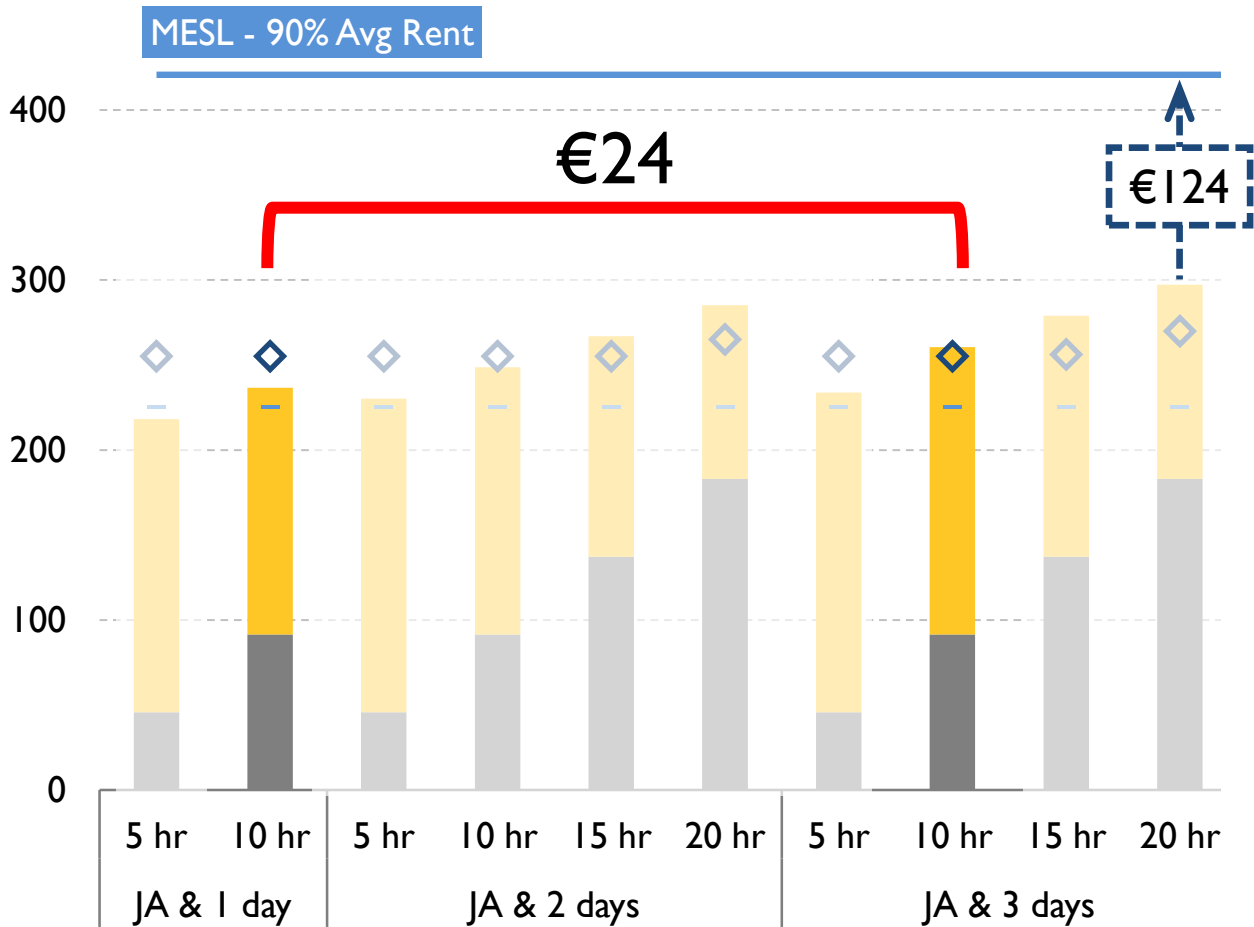
- 2015 MESL Figures
- 2016 Incomes
- Avg Private Rent (90%)
- Rent Supplement

Salary per week, by hours of NMW employment

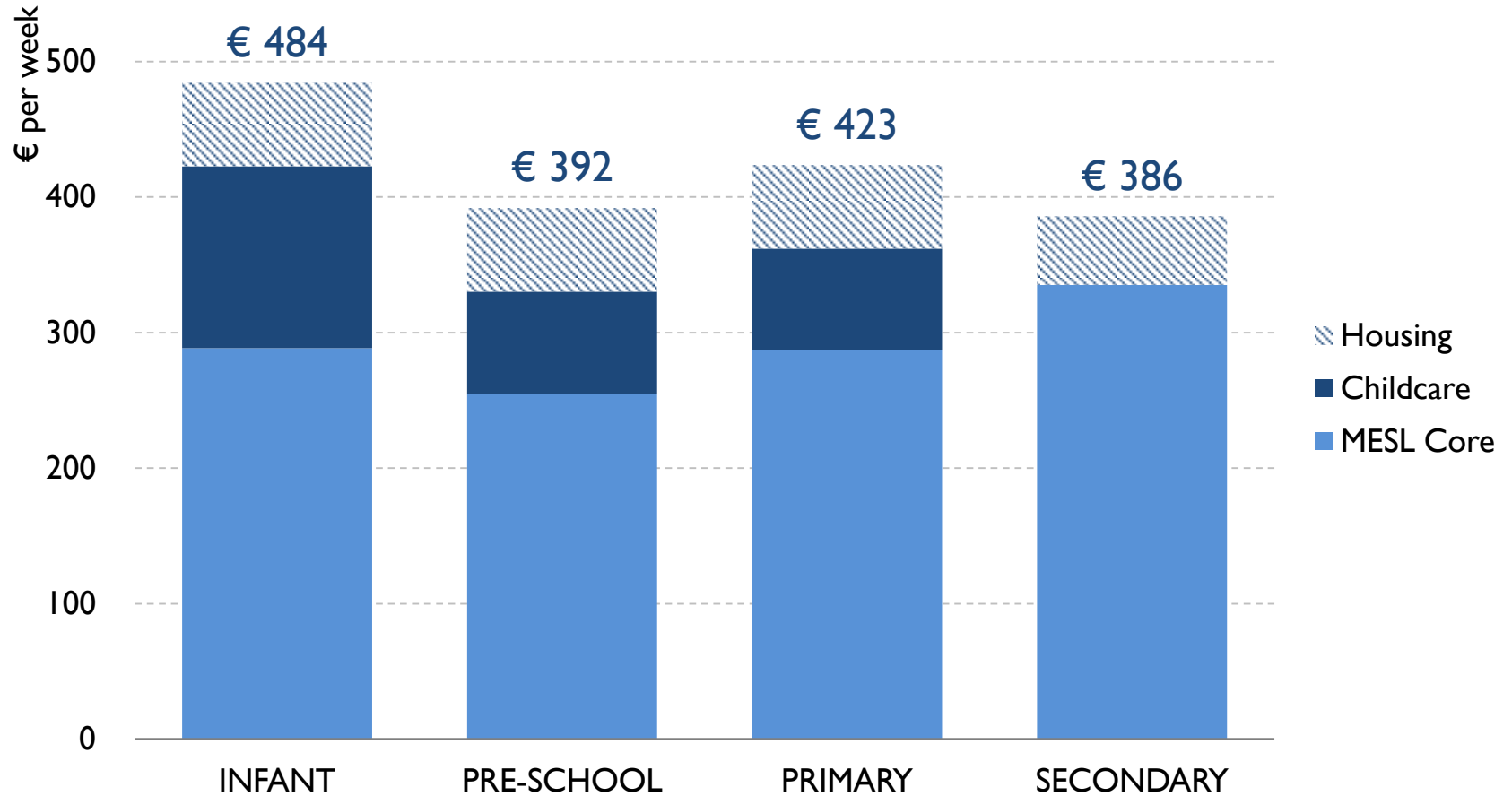


VPSJ

Single Adult – NMW & Social Welfare



One Parent & One Child



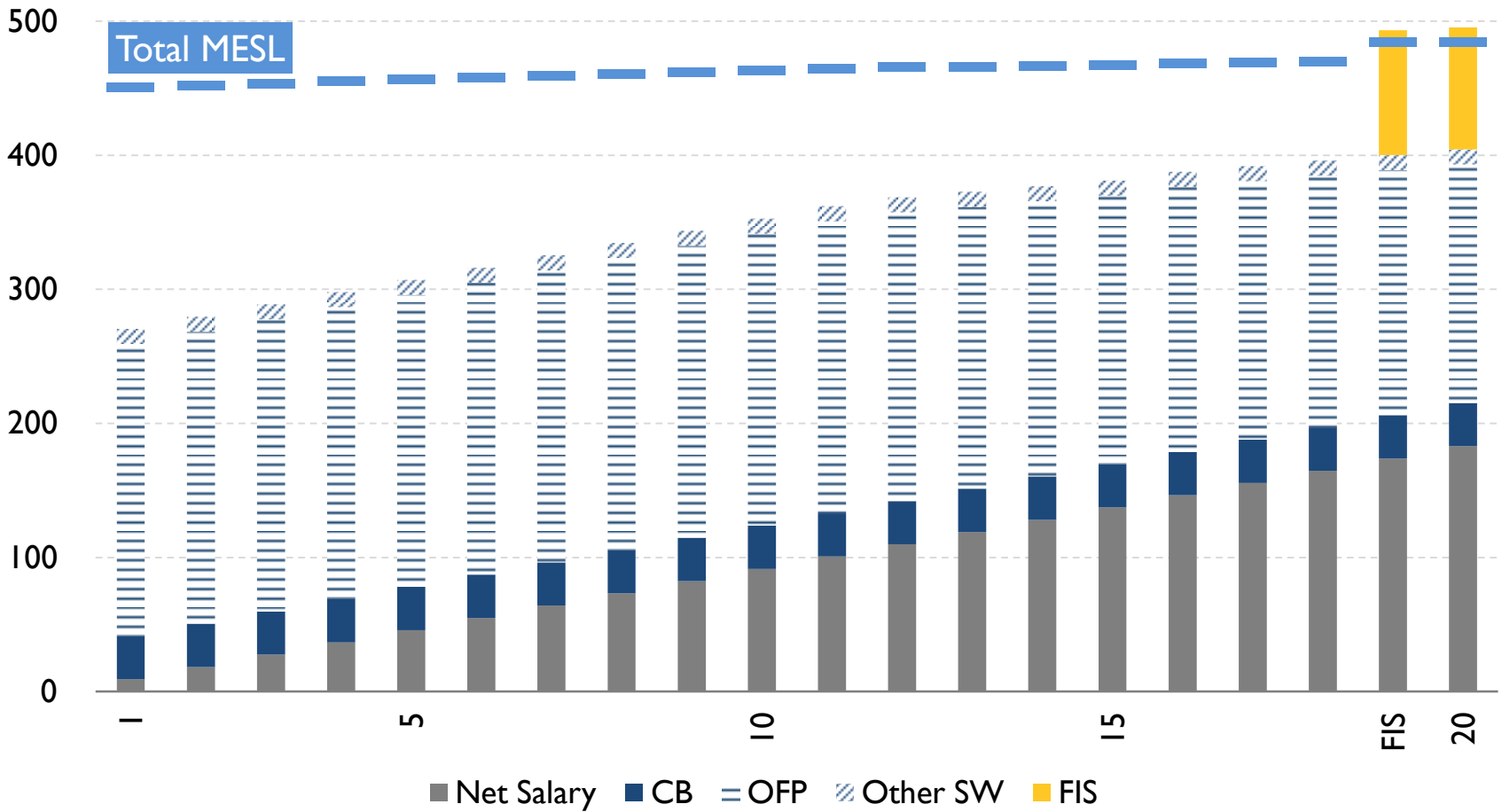
Social Welfare Supports by Age of Child

Under 7 One-Parent Family Payment **AND** Family Income Supplement

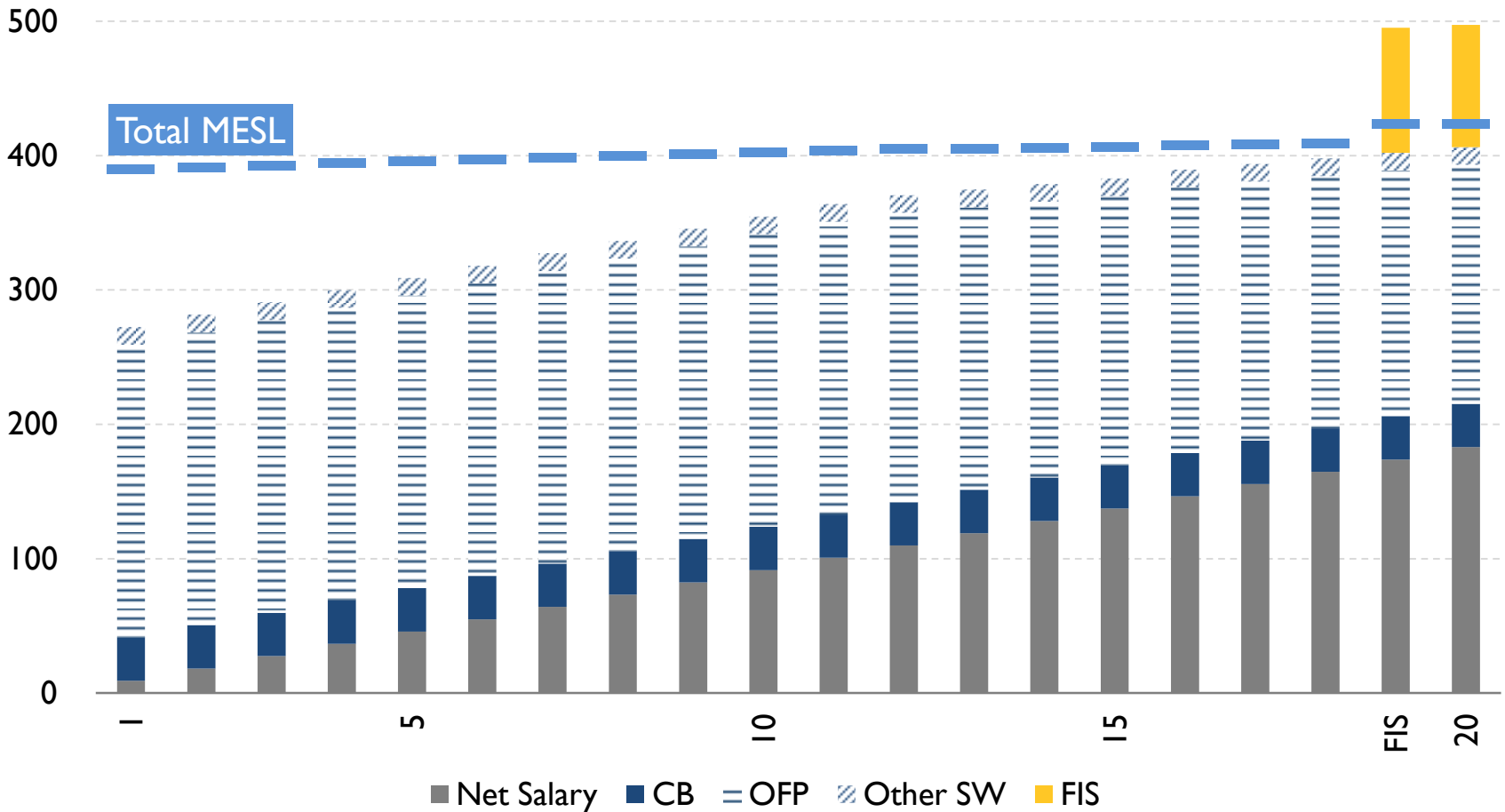
Aged 7 to 14 Jobseeker's Allowance Transition **OR** Family Income Supplement

Aged 14+ Jobseeker's Allowance **OR** Family Income Supplement

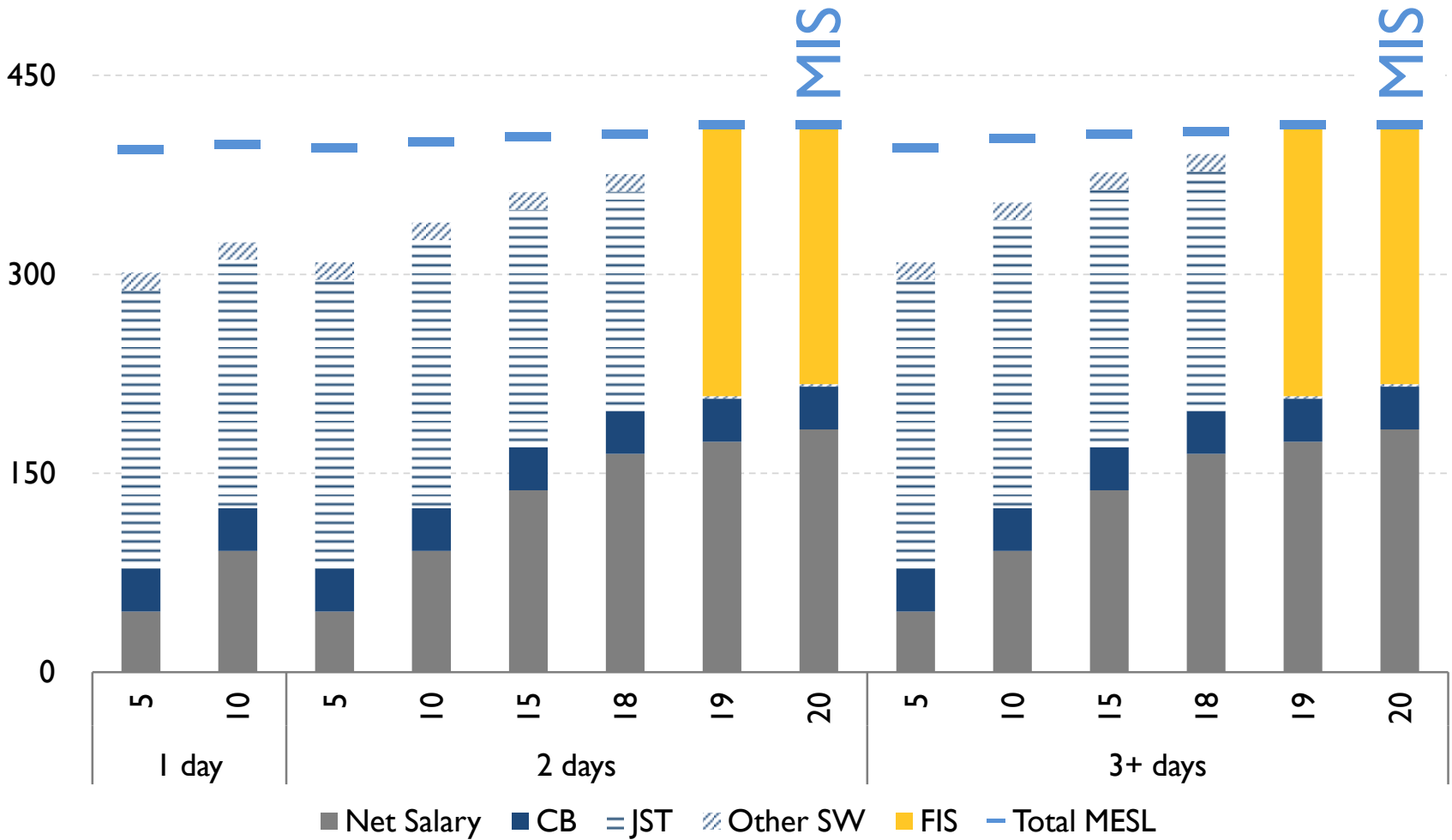
One Parent & Infant



One Parent & Primary School (Under 7)



One Parent & Primary School (Over 7)



Conclusion

- Adequacy of hours must be examined as well as adequacy of minimum wage rate
- Combination of part-time work and social welfare can improve the income position of compared to social welfare alone
- Complex system for One Parent households
- Family Income Supplement is vital
- System is inconsistent



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