

An Adequate Minimum Income: some observations

**DSP Social Inclusion Forum
Aviva Stadium, Dublin
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Outline

- 1. What is an Adequate Minimum Income (AMI)?**
- 2. Where are we today?**
- 3. Gross income or Disposable income?**
- 4. Routes towards AMI: policy levers**

1. What is an AMI?

- An adequate minimum income for what?
 - subsistence
 - relative well-being
 - societal participation
- Different objectives give different answers
- Maybe, first need to decide on the objective...

- For a single individual:
 - Unemployment benefit (2017): €193.00 (€10,070)
 - Poverty line (2017*): €235.73 (€12,300)
 - MIS (2016**): €442.71 (€23,100)

* Social Justice Ireland, Socio-Economic Review 2017

** VPSJ urban 2016 (+ estimated private housing costs)

2. Where are we today?

- Most of society above all three benchmarks
- But, still many below:
 - How many?...
 - Roughly, based on CSO SILC 2015:
 - 9.1% of population below 50% median income (430,000)
 - 16.9% of population below 60% median income (800,000)
- Welfare recipients:
 - 2014 data
 - weekly + monthly = 2.8m people (61% of 2014 pop)

3. Gross or Disposable income?

- An important question
 - important in framing our answers on AMI
- My view:
 - all about the expenditure required to reach a certain standard of living
 - disposable income
 - how much to live off per week
- So it is income:
 - after various income taxes; after welfare receipts; after public service provisions....

4. Routes towards AMI?

- Should think about the various interconnected policy levers available
- Many things alter living costs, and therefore the income required to afford them:
 - Rates of pay (low pay...)
 - Welfare rates (entitlements and claims; levels...)
 - Income tax structures (generous to low income...)
 - Social insurance contribution structures (generous to low pay...)
 - Price levels for goods and services (food, education,...)
 - Provision of public services (housing, health, transport...)

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