

# 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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