

# The Living Wage rate for 2022/23



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# What is the Living Wage?

The Living Wage is based on the concept that work should provide an adequate income to enable individuals to live with dignity, at a minimum but socially acceptable level.

- Adequate
- Based on cost of an acceptable standard of living
- Standard no one should be expected to live below
- Earnings floor
- Evidence based

# MESL Research – Evidence base for the Living Wage

- Working with members of the public to identify the cost of a socially acceptable MESL (Minimum Essential Standard of Living).
- Minimum required for people to live with dignity and participate in day-to-day life
- Meets physical, psychological & social needs
- Consensual Budget Standards method
  - Academically rigorous approach used internationally
  - Deliberative focus groups
  - Negotiated social consensus
- Counts the actual average weekly cost of the 2,000+ essential goods and services
- Reflects concepts which underpin:
  - Human Right to adequate standard of living
  - European Pillar of Social Rights
  - Irish Government definition of poverty
- Evidence based benchmark to assess the income required to enable people to live with dignity, at a minimum but acceptable level

# Calculating the Living Wage

## 1 MINIMUM LIVING COSTS

Evidence based basket of goods and services agreed as essential to enable a life with dignity.

## 2 REGIONAL DIFFERENCE

Different and additional needs across the country.

- Dublin
- Other cities
- Towns
- Rural

## 3 HOUSING

- Private Rented
- One bedroom dwelling
- Below average rent
- Data from RTB

## 4 TRANSPORT

Public transport  
Dublin and Other cities

Car required  
Towns and Rural areas

## 5 GROSS SALARY NEED

Full-time (39 hour) gross salary needed to meet the cost of a socially acceptable standard of living.

## 6 NATIONAL RATE

Average hourly salary needed across the country, weighted by proportion of the labour force in each area.

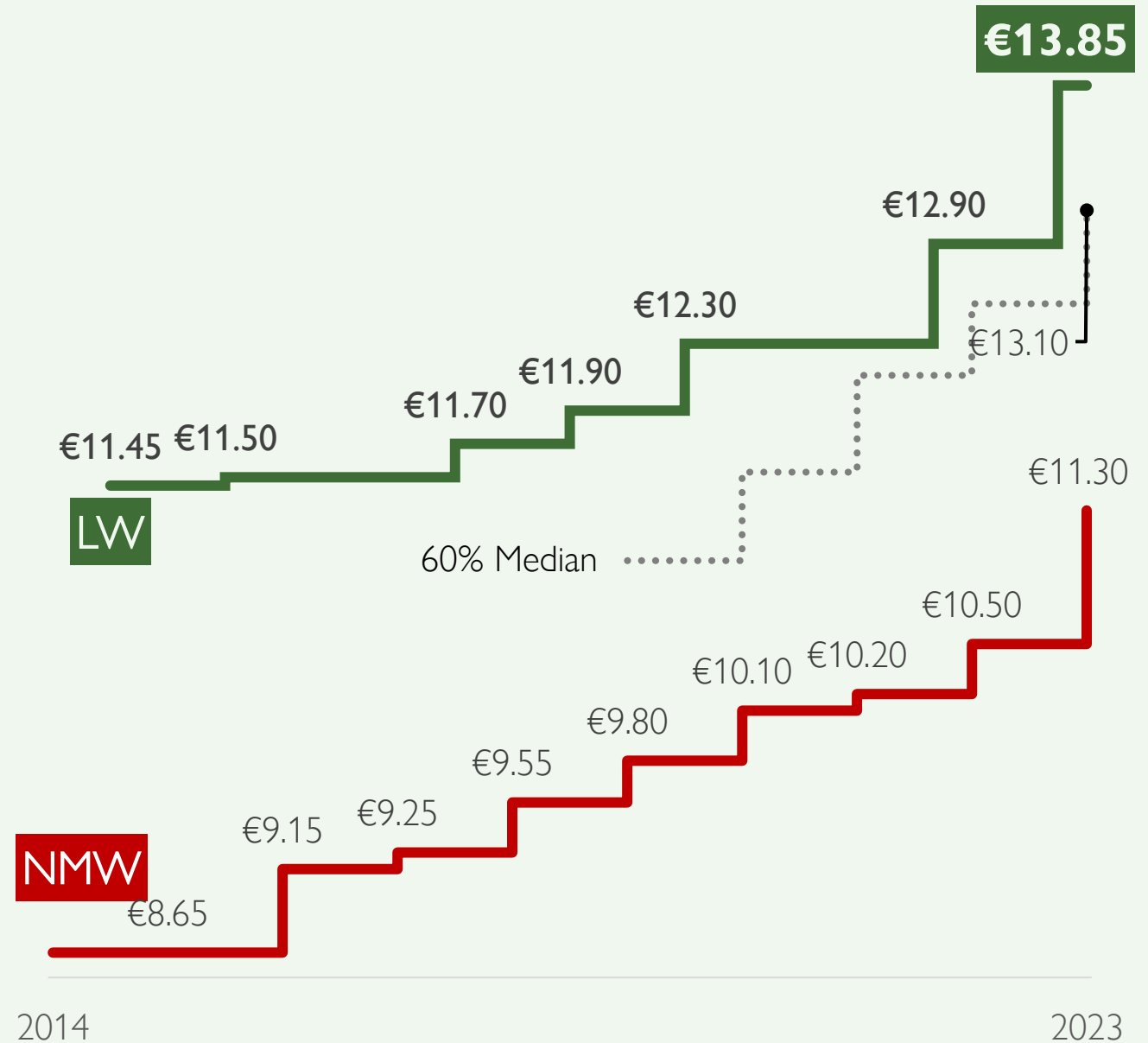
# 2022/23 Living Wage Rate



- Increase of 7.4% from the 2021/22 rate of €12.90
- Minimum living costs up by €28 pw
- Primary push factors
  - Housing €7.67
  - Energy €7.52
  - Transport €6.87
- Exceptional pressure on living costs
- Limit on annual increase suspended

# Living Wage, from 2014 - 2023

- Rate first produced in 2014, updated annually
- Since 2014
  - Living Wage 21.0%
  - National Minimum Wage 30.6%
- Government's living wage proposal
  - Fixed threshold
  - 60% of median wage, by 2026
  - Not based on living costs
  - 2023 estimate, €13.10



# Conclusion

## ADEQUATE INCOME



Work should provide an adequate income to enable individuals to live with dignity.

It is an earnings floor.

## TRANSPARENT CALCULATION



Calculation method is detailed in Living Technical Document and summarised in Annual Living Wage paper.

All available on [www.livingwage.ie](http://www.livingwage.ie)

## EVIDENCE BASED



Rate is underpinned by robust data, which is produced through a recognised and accepted research methodology.

It is grounded in social consensus.

## UPDATED ANNUALLY



Rate is updated annually to ensure it continues to reflect minimum living costs.

Published in the 3<sup>rd</sup> quarter to provide notice for both employees and employers.

22 / 23

REPUBLIC OF

LIVING WAGE

IRELAND

€13.85

PER HOUR

SUPPORTED BY

