Addressing Low Income & Low Pay

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Outline

1. About the NERI
2. Income: High and Low
3. Earnings: High and Low
4. Making Ends-meet
5. Reforms for Decent Work
6. Where are we going?
1. About the NERI

- Formally up-and-running for 2 years
- Having an impact
  - Creating a new space for economic insights on Ireland
  - Inputs into options on Investment, Budgets, the implications of austerity, Unemployment crisis, Low-pay, Incomes…
  - + Northern Ireland role
  - Thinking about where we are going as a nation…
- The challenge to ‘stay off the treadmill’
- Informing thinking of unions and others on policy options
- CPSU: a key supporter
2. Income: High and Low

On Gross Income:
- 33% of households have a gross income of less than €27,000
- 62% of households have a gross income of less than €50,000
- The top 20% of households have a gross income of more than €80,000 per annum
- 12% of households have a gross income above €100,000 per annum
Chart 1: Ireland’s Gross Household Income Distribution, 2011

Median €38,703

Mean €52,949

Household income, € per annum
3. Earnings: High and Low

• Also not well understood

• Many more on low-medium earnings:
  o Revenue Commissioners
  o Earnings by tax case
  o NERI QEF indicator 4.6a (ROI)

• Simply:
  o The bottom quarter of earners have incomes of less than €15,000
  o The next quarter have incomes of between €15,000 and €30,000
  o The next quarter have incomes of between €30,000 and €50,000
  o The top quarter of earners have incomes above €50,000
Chart 4.6a Distribution of Tax Cases by income range

ranges of gross income per annum €

- Less than €10,000: 387,175
- €10,000-14,999: 181,507
- €15,000-19,999: 195,371
- €20,000-24,999: 200,619
- €25,000-29,999: 177,518
- €30,000-34,999: 152,930
- €35,000-39,999: 137,680
- €40,000-49,999: 198,857
- €50,000-59,999: 130,636
- €60,000-74,999: 124,574
- €75,000-99,999: 102,146
- €100,000-150,000: 63,191
- €150,000-200,000: 17,101
- €200,000+: 19,138
4. Making Ends-meet

Figure 4: Impact of Income Tax, Welfare and Public Sector Pay Policy Changes, 2008-2013 - percentage change by decile of equivalised disposable income
Chart 2.3  Changes in Real Average Weekly Earnings (Republic of Ireland)
Chart 2.2 Monthly Trends in the Volume of Retail Sales (Republic of Ireland)
Chart 2.4  Trends in the Real Value of Domestic Demand (Republic of Ireland) (€ million)
5. Reforms for Decent Work

• An important focus
• Threat of degrading of standards – public & private
  1. Economic Stability
  2. Income and wage increases (solidaristic?)
  3. A Living Wage?
  4. Public Services and Public Expenditure
  5. Childcare
6. Where are we going?

• Finally
• Something we need to be thinking about…
• Not where we were before
• Somewhere different:
  o Boston or Berlin – simplistic, but…
  o European standards of living and public services…costs
  o Decent income, decent work, decent social welfare
  o Property P & high rents / investing in children / work structures
  o Closing not re-opening divides
  o More realistic about naming what we want
  o More from NERI coming on this…
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