

Low Pay and the Living Wage: *Investigating the Issues*

Response

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- Thanks
- Low Pay in Ireland
- The Living Wage in Ireland
- What the Living Wage is & is not
- Looking Forward

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Thanks

- First, a note of thanks to Fran Bennett
- Some initial reflections:

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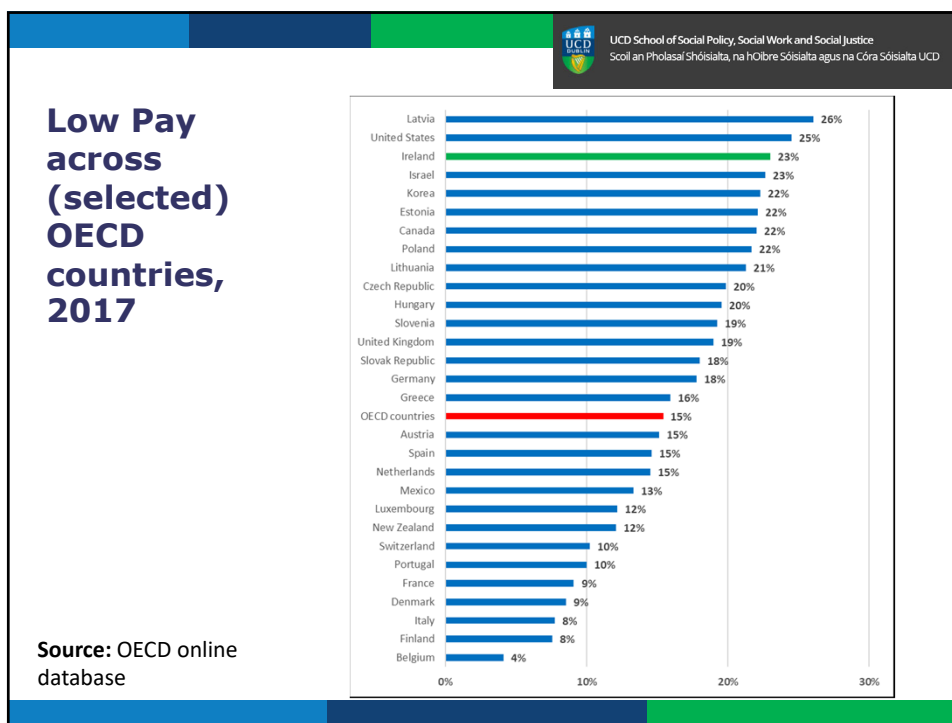


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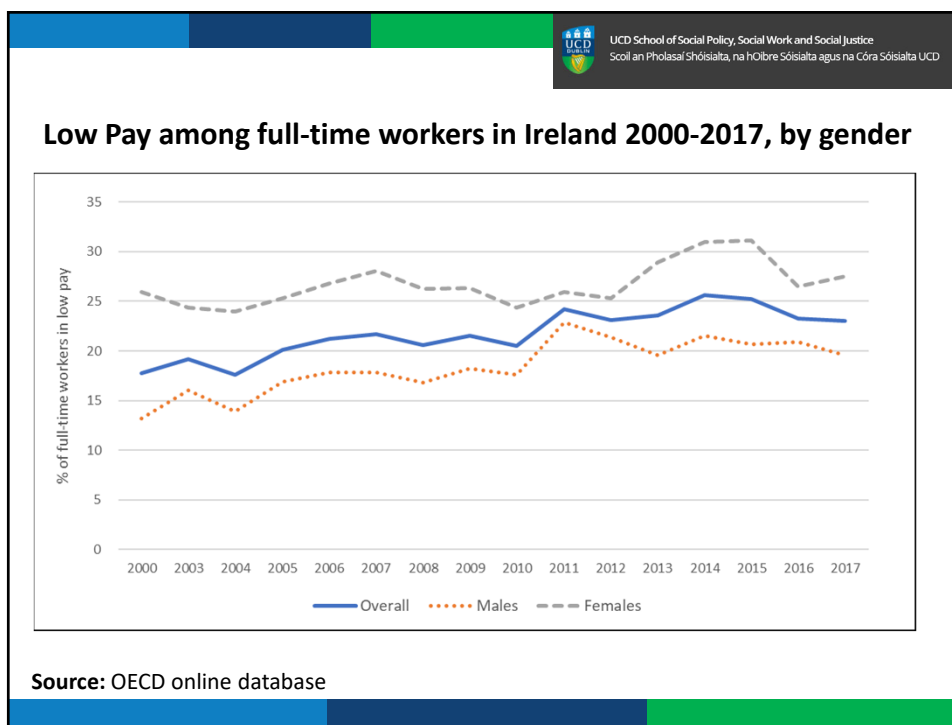
Low Pay in Ireland

- Low Pay:
 - almost 1 in every 4 workers (24%)
 - *gendered*
 - *sector concentration*
 - *age concentration yet across the lifecycle*

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The Living Wage in Ireland

- Living Wage background
 - Minimum Income Standards research (2011)
 - Slow growth
 - *from limited interest to widespread endorsement*
 - *...but not widespread adoption!*
 - *Living Wage Technical Group*
 - *following papers from VPSJ and NERI*
 - *clear and evidence based calculation methodology*

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More info see:
www.livingwage.ie



LIVING WAGE Update 2020
€12.30 PER HOUR

Living Wage Updated
The updated Living Wage for the Republic of Ireland has been calculated by the Living Wage Technical Group. It is €12.30 per hour. The rate is unchanged from 2019.

Over the past year there have been decreases in living costs for most items included in the living wage calculation. However, these decreases have been wiped out by increases in costs including clothing, transport and housing. The overall effect is an unchanged hourly rate of €12.30.

This document outlines the Living Wage format and provides details of changes to living costs over the past year. Further information, including a technical document outlining the calculation methodology, is available at www.livingwage.ie.

Timing of the Living Wage Update
The Technical Group adopted this year's update due to the Covid-19 pandemic. It was originally scheduled for July 2020. We announced the new rate at the time as that Living Wage employers and employees have sufficient notice to factor in the implications of any increase or decrease in the hourly rate into negotiations around wage rates for the year to come.

What is a Living Wage?
The Republic of Ireland Living Wage was established in 2014 and is part of a growing international set of similar figures which reflect a belief across societies that individuals working full time should be able to earn enough to enjoy a decent standard of living.

The Living Wage calculation is evidence based and built on multiple standards research. The hourly figure:

- establishes the average gross salary which will enable full time (39hrs per week) employed adults (without dependent(s)) across Ireland to afford a socially acceptable standard of living;
- is a living wage which provides for needs not met by the National Minimum Wage which is not based on the cost of living.

In principle, a living wage is intended to establish an hourly wage rate that should provide employees with sufficient income to achieve an agreed acceptable minimum standard of living in that area. It is an income floor, representing a figure which allows employees to afford the essentials of life. Earnings below the living wage suggest employees are forced to do without certain essentials so they can make ends meet.

www.livingwage.ie

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ADEQUATE INCOME  Work should provide an adequate income to enable individuals to live with dignity. It is an earnings floor.	EVIDENCE BASED  Rate is underpinned by robust data, which is produced through a recognised and accepted research methodology. It is grounded in social consensus.
TRANSPARENT CALCULATION  Calculation method is detailed in Living Technical Document and summarised in Annual Living Wage paper. All available on www.livingwage.ie	UPDATED ANNUALLY  Rate is updated annually to ensure it continues to reflect minimum living costs. Published in July to provide notice for both employees and employers.

<https://www.livingwage.ie/documents/seminar-presentations.html>

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What the Living Wage is:

- The answer to a question
What is the minimum hourly rate of pay a single full-time worker should receive to be able to afford a basic, but decent, standard of living?
- about income adequacy...
- not a perfect measure...

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What the Living Wage is not:

- Not a panacea!
- Will address income adequacy, but will not solve other important issues:
 - gender inequality in the labour market
 - poverty (even in-work poverty)
 - income and earnings inequality
- Is not a burden on employers
 - turnover & productivity benefits in return for higher pay
 - yes, some prices may have to rise...

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Looking Forward

- In vogue (at last!)
- Annual update in September
- Needs greater support
 - danger of a non-evidence based living wage emerging
- Needs:
 - a campaign
 - adoption by local Government for contractors
 - adoption by Unions and NGOs for any relevant roles
 - accreditation?
- As politicians are discovering, it's hard to be against it!

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