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Insights from Minimum Income Standards Research for Ireland

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THE COST OF WORK:
INSIGHTS FROM MINIMUM INCOME STANDARDS RESEARCH FOR IRELAND*

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Abstract

Being in work, or taking up work, incurs additional costs on households and individuals. Depending on circumstances, additional needs arise regarding travel, fuel, personal costs and childcare among others. While the existence of these additional costs is regularly cited, it is rarely quantified and incorporated into assessments of employment activation or the adequacy of earnings; in particular for low income individuals.

This paper attempts to estimate the nature and scale of these additional costs of work using results from a year-long research project which has established the cost of a minimum standard of living for a variety of Irish family types. A minimum essential standard of living is defined as one which meets a person's physical, psychological and social needs. To establish this figure, the research adopts a consensual budgets standards approach whereby representative focus groups established budgets on the basis of a households minimum needs, rather than wants. These budgets, spanning over 2,000 goods, were developed for sixteen areas of expenditure. The analysis distinguishes between the expenditure for urban and rural households and between those whose members are unemployed or work (part-time/full-time).

Finally the paper considers the results of this analysis in the context of earning levels, taxation (tax credits and bands) and the growing literature on the concept of a 'living wage'.

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THE COST OF WORK:
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1. Introduction

Being in work, or taking up work, incurs additional costs on households and individuals. Depending on circumstances, additional needs arise regarding travel, fuel, personal costs and childcare among others. While the existence of these additional costs is regularly cited, it is rarely quantified and incorporated into assessments of employment activation or the adequacy of earnings; in particular for low income individuals.

This paper attempts to estimate the nature and scale of these additional costs of work using results from a year-long research project which has established the cost of a minimum standard of living for a variety of Irish family types.[1] The concept of a minimum essential standard of living (MESL) used in this research derives from the United Nations Convention on Human Rights which defined the minimum as '*things which are necessary for a person's physical, mental, spiritual, moral and social well-being*'. Similarly, Article 25 of the UN *Universal Declaration of Human Rights* (1948) recognised that:

> *everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control*

While the subsequent UN *International Covenant on Economic, Social and Cultural Rights* (1966) established in its article 11:

> *the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions.*

To establish this figure, the research adopts a consensual budgets standards (CBS) approach whereby representative focus groups established budgets on the basis of a households minimum needs, rather than wants. These budgets, spanning over 2,000 goods, were developed for sixteen areas of expenditure. The analysis distinguishes between the expenditure for urban and rural households and between those whose members are unemployed or work (part-time/full-time). The research builds on the work of the Vincentian Partnership for Social Justice (Mac Mahon et al, 2004, 2006 and 2010) and Collins et al (2012).

The paper is structured as follows. The next section overviews the literature on minimum income standards and their application internationally and in Ireland. Section three details the methodology

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[1] This research project was supported by the Department of Social Protection and the IRCHSS. The research and its findings have lead to the production of a number of reports and minimum income tools including Collins et al (2012), Mac Mahon et al (2012) and an online Minimum Income Standards calculator available at www.MISc.ie.

and data collection processes employed to establish minimum living standards for Ireland. Section four presents the results of this analysis for a selection of urban and rural households and in particular examines the variation in costs associated with their participation in the labour market. Section five considers the implication of these findings for households and their living standards and highlights the impact of wage levels and taxation measures on the ability of low income households to reach these minimum standards benchmarks. In that context the paper also considers the growing literature on the concept of a 'living wage'. Finally, in section six, the paper concludes.

2. Minimum Living Standards Research

An interest in establishing a value for a minimum standard of living, and quantifying households and their existence relative to that minimum, has been at the root of poverty research since the work of Rowntree in the late 1800s. The budget standards tradition, which this research follows, defines minimum acceptable standards by calculating the content and cost of a 'basket' of goods and services that are needed to experience an acceptable standard of living. Such an approach has been adopted by Bradshaw et al (1993, 2008), Oldfield (1997), Parker (1998, 2000), Middleton et al (1994) and Smith et al (2004) for Britain; Hartfree et al (2001) and Middleton (2001) for Jersey; Waldergrave et al (1996) and Stephen (2000) for New Zealand; and Saunders et al (2004) for Australia.

Already in a number of European countries, such as Sweden and Norway, budget standards have been incorporated into the setting of social assistance payments. Elsewhere in the EU there has been increasing interest in developing national income standards as a means of assessing the adequacy of social assistance supports. To date, a number of countries have already constructed reference budgets. However as these have not been developed in co-operation with each other, and did not use similar methods based on the same underlying assumptions, it is not possible to use them for purposes of comparison. In 2008 the European Commission issued Recommendation 2008/897/FC on the active inclusion of people excluded from the labour market and it provides a basis for initiatives to combat poverty and to make them more successful in the active reduction of the number of people experiencing poverty. The recommendation acknowledges the complexity of the problem and the need for integrated policies. Member states were asked to develop and execute an integrated comprehensive strategy consisting of three elements: adequate income support; inclusive labour markets and access to quality services. The recommendations states that 'active inclusion policies should facilitate the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation for those who cannot' (Vranken, 2010: 7). Subsequently at a 2010 meeting of ministers responsible for poverty reduction, the Belgian government proposed a Peer Review which concentrated on determining an adequate minimum income for all member states. This proposal would necessitate a definition of common criteria and the development of a common methodology. Eight European countries with experience of minimum living standards research participated in the Peer Review.[2] In late 2010 the Peer Review resulted in a number of recommendations, one of which was the establishment of a working group to develop a common understanding of adequacy and a common methodology which could be adapted to each national situation. The Peer Review participants agreed that the methodology should involve focus groups

[2] The VPSJ represented Ireland in this Peer Review.

from different socio-economic backgrounds. It was agreed that the income level established by these studies should be one that facilitate social inclusion and participation in society. The likely outcome of these processes seems to suggest an enhanced and more formal role for budget standards research in the formation and evaluation of European and national social assistance programmes.

In Ireland, the Commission on Social Welfare (1986) discussed the concept of a minimum adequate income and since 2004 the VPSJ has engaged in research on establishing and costing minimum budget standards. Through a series of reports an increasing number of Irish household types have been added to the list of family situations for which there are up-to-date information on the cost of minimum living standards (Mac Mahon et al, 2004, 2006 and 2010).[3] Most recently, the VPSJ and Collins have expanded this list and incorporated a further breakdown of the data for these households is available given their location (urban/rural) and the ages of any children in the household.[4] The 2012 report also benchmarked these household's minimum expenditure requirements relative to the income they receive where households have incomes linked to the levels of welfare entitlements and minimum wage rates. It also calculated the minimum income household require (hourly/weekly and annually) to afford a MESL (Collins et al, 2012: 93-147).

The Irish minimum living standards data now covers households and individuals across the lifecycle, from children to pensioners, and includes:

- Two adults and two children (urban and rural locations with variations of the children's ages)
- One adults and two children (urban and rural locations with variations of the children's ages)
- Single Adult of working age living alone (urban and rural locations)
- Female pensioner, living alone (age 70+, urban and rural locations)
- Pensioner couple (age 66-69; urban and rural locations)[5]

This paper draws on this data to examine minimum living standards and establish the costs associated with households taking up work. The expenditure and income data throughout the paper is for March 2011.

3. Methodology and Data Collection

The consensual budgets standards (CBS) methodology used in this research "aims to develop a standard which will be rooted in social consensus about goods and services that everyone … should be able to afford" (Bradshaw et al, 2008). To establish such a consensus the research is dependent on the establishment of representative focus groups for each of the household types examined. In each case, in general three focus groups per household type have been involved in the research process (see below). The VPSJ, in its work over the past fifteen years, has developed a network of

[3] See Callan et al (1996) who examine the Commission on Social Welfare's minimum adequate income. Corrigan (2004) also explored the issue of minimum income standards, looking specifically at children.
[4] This data has subsequently been used to build a Minimum Income Calculator for Ireland see www.MISc.ie
[5] The broad selection of household types reflects the policy priorities and approaches outlines in *National Action Plan for Social Inclusion 2007 – 2016* (Government of Ireland, 2007) and NESC's Development Welfare State (2005).

community groups across Ireland. Contacts from within these community organisations have been used to provide a pool of potential focus group participants for each of the aforementioned studies since 2004.[6] Each focus group included 8-12 people from differing socio economic backgrounds. Urban focus groups were based in various parts of Dublin while rural groups were based in towns which were similar in characteristics regarding their population, distance to the nearest major hospitals and their provision of public services (all lacked a secondary school, a major supermarket, a bank and a Garda station. The groups acted as their own budget standard committees where 'the actual expenditure choices and judgements that are made by people in real life on the ground, as they manage their money contributes to the final consensus' on what comprises a minimum essential living standard requirements (Middleton, 2000: 62-63). While focus group participants had freedom to determine the composition of the minimum expenditure basket of goods and services, their determinations were also assessed, where appropriate, by experts to ensure the basket contained a nutritionally balanced diet and adequate heating/fuel for their home.[7]

Stages of the focus group research process

There were four phases to the focus group research process. These are briefly described below.[8]

Stage 1: orientation phase

The initial phase introduced participants to the concept of a minimum essential standard of living (MESL) and explored the language, concepts and priorities that people use in thinking about spending and consumption. Time was also given to developing a shared understanding of minimum, and of the difference between needs and wants.

Stage 2: task groups

Participants in the focus groups had no difficulty in accepting the aforementioned UN *Universal Declaration of Human Rights* definition as a working description of a MESL. In order to avoid the possibility of basing decisions on the experience of particular individuals within the group, posters were displayed of each household type. The work in the task group phase of the focus group process was directed towards a 'case history family' - on what they required at a minimum level to achieve a MESL. The consensual budget approach focuses on a negotiated consensus and required the groups to discuss and agree on the needs of particular household types within each of 16 budget expenditure area (outlined below). The process considered each budget component in turn and categorised each item as essential, desirable or luxury. Together, the participants in each task group produce an agreed list of minimum needs. Finally the participants reviewed their lists in their entirety and examined whether they were any areas of the budget which they felt were too generous or too

[6] The VPSJ began using the consensual budgets approach in 2005 to arrive at the cost of a MESL for six household types. Since then each new study expanded and updated the work of previous studies. In 2006 and 2010 the cost of a MESL was developed for 6 household types in urban and rural areas. The 2012 study expanded and updated the analysis to provide values for March 2011 for each of the household types listed in the previous section.

[7] Professional nutritionists and experts from the Sustainable Energy Authority of Ireland were consulted during the research process.

[8] For further detail on the stages of this research process see Collins et al (2012: 34-40), Middleton (2000) and Bradshaw et al (2008: 6-12).

restrictive. Where appropriate revision were agreed to provide a final consensually agreed basket of minimum good and services.

Stage 3: costing phase

The items agreed by the focus group are costed by the researchers to compile a minimum essential budget. In general up to two thousand individual items are priced.

Stage 4: checkback phase

The fourth phase brings the costed budgets back to the focus groups and it involves the rechecking of items and costs in order to reach a final consensus. Where amendments have been made on the advice of experts these are introduced and explained. Before this can be done, the consensus is tested. Firstly, participants are asked whether they think the amount allocated to provide the agreed list of items, is too high or too low. Secondly, the group is asked how much they would be prepared to reduce the budget at the request of the Minister for Finance (Middleton, 2000: 63-64).

Budget categories

Both the 2004 and 2006 VPSJ studies developed a detailed set of expenditure budgets for sixteen separate areas of expenditure and spanning almost 2,000 goods and services. These budgets serve as the starting point for the stage two task group discussions on minimum requirements. It is important to note that the expenditure baskets are based on needs not wants. They include items and services the public think are necessary to have a minimum essential standard of living. Whilst the baskets drawn up are set at a minimum level, they include more than what is needed for survival and allow for social inclusion and participation in society. In the course of discussion, focus groups, in addition to the obvious need for food, clothing and housing, identified access to education and health services as essential needs. Opportunities for social participation were also recognised as integral to this standard. Reference was made to the consequences of not having sufficient resources to socialise such as family breakdown, anti-social behaviour of young people and depression, in particular among elderly people. Participants also insisted that a MESL should allow for the allocation of a sum of money to 'savings'. As one focus group participant stated: *"If you have nothing in the Post Office or in the Credit Union what's going to happen when something unexpected happens? You will be in trouble".*

Table 1 details the sixteen areas of expenditure and provides an overview of the goods and services contained within each category of expenditure.

Expenditure assumptions and weekly costs

As part of the research process a number of assumptions have been made for certain expenditure categories. These include:

Food: To ensure a balanced diet which met the nutritional requirements of different age groups, menus (from which the food budgets were derived) were constructed to reflect the Food Pyramid (Mac Mahon et al, 2006: 25). Menus were examined by nutritionists to ensure their adequacy. In satisfying the requirements for protein, calorie consumption, iron and vitamin intake, the menus were also examined to ensure variety in diets.

Table 1. MESL Expenditure Categories and Description

Food	
	Food for a nutritionally balanced diet
Clothing	
	Clothing and footwear for all seasons
Personal Care	
	Personal hygiene and grooming items
Health	
	Health related costs such as medications, GP costs, Optician, Dentist etc
Household Goods	
	Furniture, appliances, utensils and cleaning products etc
Household Services	
	Waste charges and maintenance services
Communications	
	Telephone, Postage and internet services
Social Inclusion and Participation	
	A minimum for participation and inclusion in society
Education	
	School uniforms, books, stationery and other education related costs
Transport	
	Weekly bus tickets or car transport and associated costs
Housing	
	The weekly cost of a household’s rent
Household Fuel	
	Electricity and home heating fuel costs
Personal Costs	
	Charity donations, Trade Union membership etc
Childcare Costs	
	The cost of full or part-time childcare
Insurance	
	Home and where appropriate health and motor insurance costs
Savings and Contingencies	
	Rain-day savings and life assurance

Note: A more comprehensive description of these items is available in Collins et al (2012:46-50).

Health: These budgets are based on the assumption that the household consists of healthy individuals who do not require special medication or diets. It is also assumed that none of the family members have a disability.

Tobacco and Alcohol: These expenditure items were not regarded as contributing to a healthy lifestyle. It was recognised that alcohol costs could be covered by the budget for social inclusion and participation

Housing: Because of the wide diversity of accommodation, housing costs for the most part are based on local authority differential rents. The shortage of social housing and the long waiting lists means that single adults are seldom accommodated in urban local authority housing and therefore the urban single adult of working age is located in a rented 'bed-sit'. However, as bed-sits and one bedroom local authority houses are rarely available in rural areas it is assumed that the single adult of working age living alone in a rural area is housed in a two-bedroom local authority house.

Transport: It is assumed that the urban household types in this research have reasonable access to public transport, and therefore a car is not a minimum requirement. However, the findings for the rural household types in this research specified at least one car as a minimum need. In rural areas with no access to public transport, at specific times related to work, a car was recognised as the only acceptable form of transport. The VPSJ rural study analysed the availability of public transport in rural areas and the findings confirmed the minimum need for private transport specified by the focus groups (Mac Mahon et al, 2010: 34). Therefore, two parent rural household types where at least one adult is in employment require two cars as a minimum, all of the other rural household types and scenarios require one car.[9]

Household Fuel: To standardise the home heating requirements for the household types a baseline standard of dwelling was established. Households needs were calculated on the basis of a house built (or retro-fitted) to 2006 building regulation insulation standards. This baseline is used for calculating housing related costs, including home heating. The Sustainable Energy Authority of Ireland (SEAI) was consulted for calculating the necessary energy and expenditure, to maintain dwellings of this standard at an adequate heat.[10]

Childcare: Childcare costs are calculated on the basis of a full-time employee being assumed to work 37.5 hours per week, and a part-time employee working 19 hours per week.

Finally, the expenditure tables present in this paper provide the weekly cost of goods and services. In actuality, some items in the budgets – such as clothes, household goods and education – are bought outright and not paid for on a weekly basis. However, for the purposes of this study, the costs for such items are spread so that the budgets include their weekly costs. To do this, the whole cost is divided by the number of weeks an item it is expected to last.[11]

4. Results

To examine the existence of additional costs associated with taking up employment; this paper uses a households MESL as a benchmark and examines the change in household costs associated with taking up employment. In effect, new necessities/basics arise as individuals and households make a transition into the active labour market and it is possible to use the results of the MESL analysis to identify these costs. At the outset it is important to note that the analysis is predicated on the assumption that a household already possesses at least the minimum essentials for a MESL and

[9] For further analysis on this point see Mac Mahon et al (2010).
[10] For a full discussion of the household energy calculations see Mac Mahon et al (2010: 27, 37-39).
[11] For example an electric cooker that costs €299.99 and has a lifespan of 10 years (520 weeks) costs €0.58 per week.

using this baseline we can pinpoint examine the additional costs of work. Clearly for households who live on incomes which are less than allows them to experience a MESL, as is the case for most households dependent on social welfare (see appendix tables A5 and A6), the costs of taking up work add further challenges to a households ability to experience a MESL.[12]

The costs of taking up work have been examined for the following household types:

- Urban Households with 2 Adults and 2 Children
- Rural Households with 2 Adults and 2 Children
- Urban Single Parent Households with 2 Children
- Single Adult Households in Urban and Rural locations

In the case of households with children, the analysis distinguishes between the costs of a MESL given the ages of the children. As the tables below (and in the appendix) show, the cost of a child varies considerably given the age of a child.[13]

Urban Households with 2 Adults and 2 Children

Table 2 summarises the results of the MESL assessment for urban households with 2 adults and 2 children. The top three lines of data present the results of the MESL study for three variations of this household type: where both adults are unemployed; where one is working full-time and earning the national minimum wage; and where both adults are at work, one full-time and one part-time where both are earning the national minimum wage. Using employment examples with the national minimum wage allows the analysis to benchmark entitlement to various welfare payments and secondary benefits (e.g. medical cards) when calculating the cost of a households MESL. Table A1 in the appendix provides a more comprehensive breakdown of the expenditure amounts for each of the 16 expenditure categories outlined in table 1.

The difference between the costs of achieving a MESL when a household has both adults unemployed versus where one or two household members is working allows the final three lines of data in table 2 to be calculated. These identify the additional costs associated with moving from one household status (variation) to another. Chart 1 also summarises these results.

To explore the reason for these additional costs associated with taking up work, chart 2 selects as a case study a two adult two child household where the children are in pre-school and primary school. In this case the transition from where both adults are unemployed to one taking up work on a full-time basis imposes an additional weekly cost of €20.41 on the household. These additional costs derive from additional personal costs for the employee, namely union membership payments, and additional housing costs as the additional household income from work will alter the rent charged by the local authority to the household. In the same household, if the other adult also commences work on a part-time basis, the household faces additional weekly costs of a further €96.52 – explained by further increase in housing costs (rent), additional personal costs (union subscriptions) and childcare.

[12] A broader overview of low income households in Ireland is available from CSO(2012), Social Justice Ireland (2011), Collins (2006) and Collins and Kavanagh (1998, 2006).
[13] See Mac Mahon et al (2012) which uses the output from this study to examine the cost of a child.

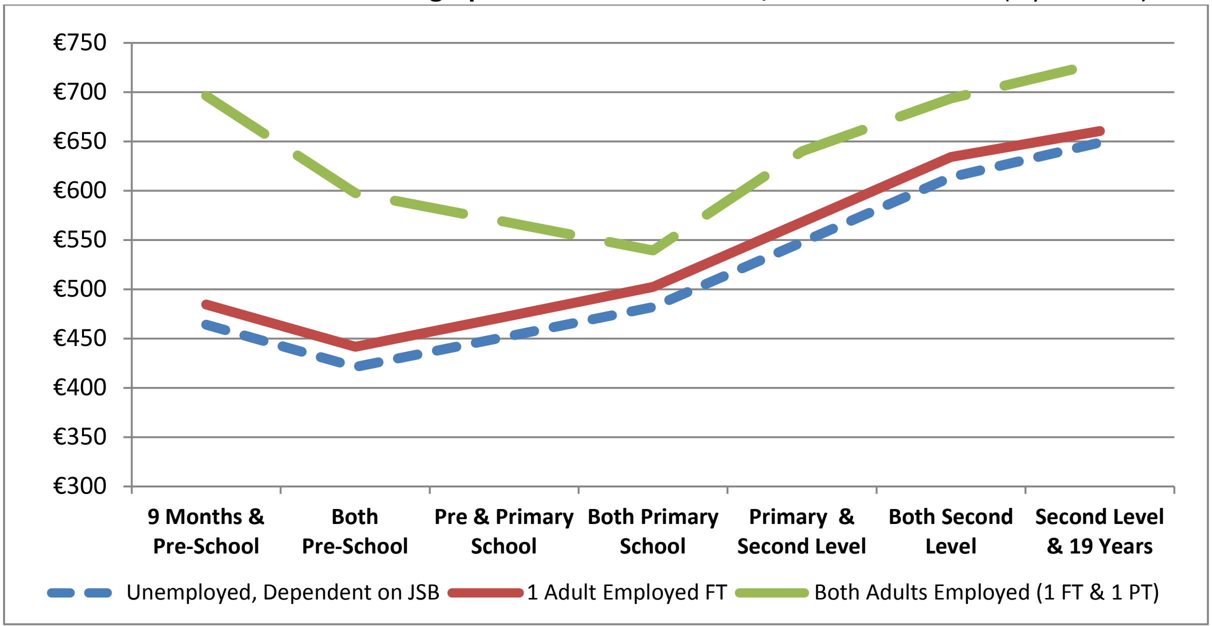
The latter explains the largest proportion of the increase requiring an additional €85.21 per week in expenditure for the household. Where both adults move from unemployment to employment, one full-time and one part-time, the costs of an MESL increase by €116.93 per week.

Table 2: MESL and the cost of taking-up work – Urban 2 Adults, 2 Child Household *(€ per week)*

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
MESL for each household type							
Unemployed, Dependent on JSB	464.03	421.14	451.50	481.87	547.77	613.67	648.85
1 Adult Employed Full-Time	484.44	441.55	471.92	502.28	568.18	634.08	660.56
Both Adults Employed, 1 Full-Time & 1 Part-Time	696.05	597.46	568.44	539.41	640.13	693.48	729.55
Additional costs associated with taking up employment							
Unemployed ➔ 1FT work	+20.41	+20.41	+20.41	+20.41	+20.41	+20.41	+11.71
1FT work ➔ 1FT+1PT work	+211.61	+155.91	+96.52	+37.13	+71.95	+59.40	+68.99
Unemployed ➔ 2 at work (1FT+1PT)	+232.02	+176.32	+116.93	+57.54	+92.36	+79.81	+80.70

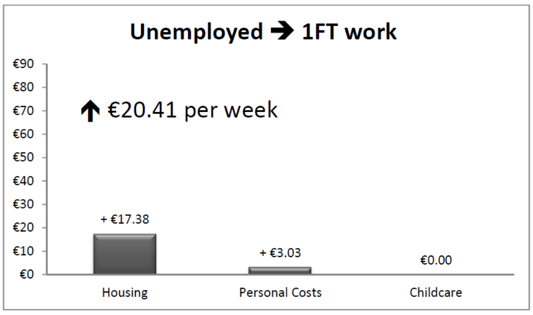
Notes: All figures are for March 2011.
Rounding may affect totals.
Further details are available in Table A1 in the appendix.
All employees earn the national minimum wage.
The income received by households in these situations, and how this compares to the MESL expenditure levels, is detailed in Collins et al (2012:93-147) and summarised in Table A5 in the appendix.

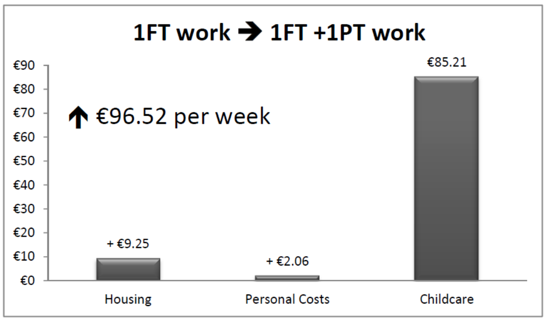
Chart 1: MESL and the cost of taking-up work – Urban 2 Adults, 2 Child Household *(€ per week)*

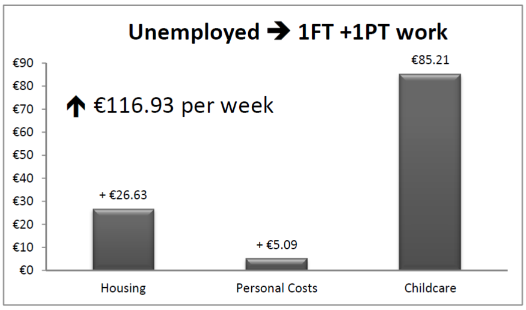


Notes: see table 2

Chart 2: The additional costs of work - case study of 2P 2C Pre and Primary School (urban area)







Notes: See table 2 and table A1 in the appendix.

Rural Households with 2 Adults and 2 Children

Table 3 summarises the results of the MESL assessment for rural households with 2 adults and 2 children. The top three lines of data present the results of the MESL study for three variations of this household type. The difference between the costs of achieving a MESL when a household has both adults unemployed versus where one or two household members is working allows the final three lines of data in the table to be calculated. These identify the additional costs associated with moving from one household status (variation) to another. Chart 3 also summarises these results while table A2 in the appendix provides a more comprehensive breakdown of the expenditure amounts for each of the 16 expenditure categories outlined in table 1.

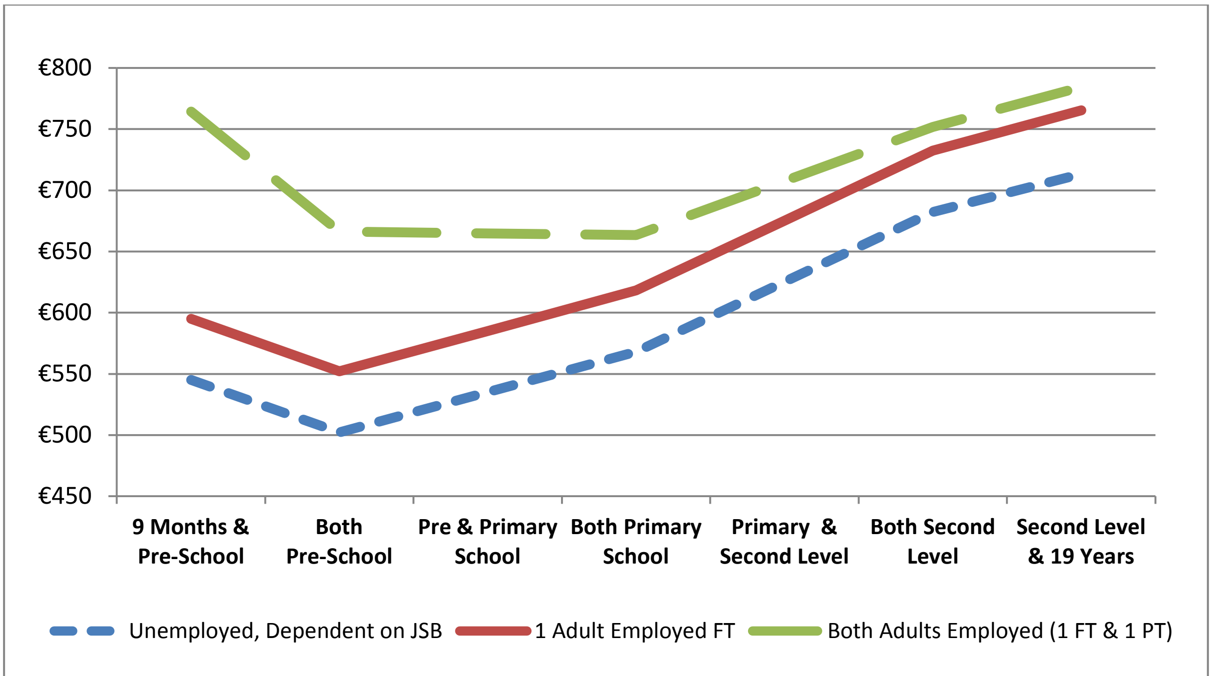
To explore the reason for these additional costs associated with taking up work, chart 4 selects as a case study a two adult two child household where the children are in pre-school and primary school. In this case the transition from where both adults are unemployed to one taking up work on a full-time basis imposes an additional weekly cost of €50.01 on the household. These additional costs derive from additional personal costs for the employee, namely union membership payments, and additional costs associated with the need for an additional car for the worker. As such transport and insurance costs rise by €51.56 and €5.99 respectively. A small decrease in the household weekly rent also occurs – this decrease reflects the average rent paid by a household of this type under the local authority differential rent schemes in the areas examined for the rural focus groups.

Table 3: MESL and the cost of taking-up work – Rural 2 Adults, 2 Child Household *(€ per week)*

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
MESL for each household type							
Unemployed, Dependent on JSB	544.97	502.14	535.16	568.17	625.28	682.39	713.40
1 Adult Employed Full-Time	594.97	552.15	585.17	618.18	675.29	732.40	765.31
Both Adults Employed, 1 Full-Time & 1 Part-Time	764.39	666.33	664.83	663.33	707.52	751.70	784.48
Additional costs associated with taking up employment							
Unemployed → 1FT work	+50.00	+50.01	+50.01	+50.01	+50.01	+50.01	+51.91
1FT work → 1FT+1PT work	+169.42	+114.18	+79.66	+45.15	+32.23	+19.30	+19.17
Unemployed → 2 at work (1FT+1PT)	+219.42	+164.19	+129.67	+95.16	+82.24	+69.31	+71.08

Notes: All figures are for March 2011.
Rounding may affect totals.
Further details are available in Table A2 in the appendix.
All employees earn the national minimum wage.
The income received by households in these situations, and how this compares to the MESL expenditure levels, is detailed in Collins et al (2012:93-147) and summarised in Table A5 in the appendix.

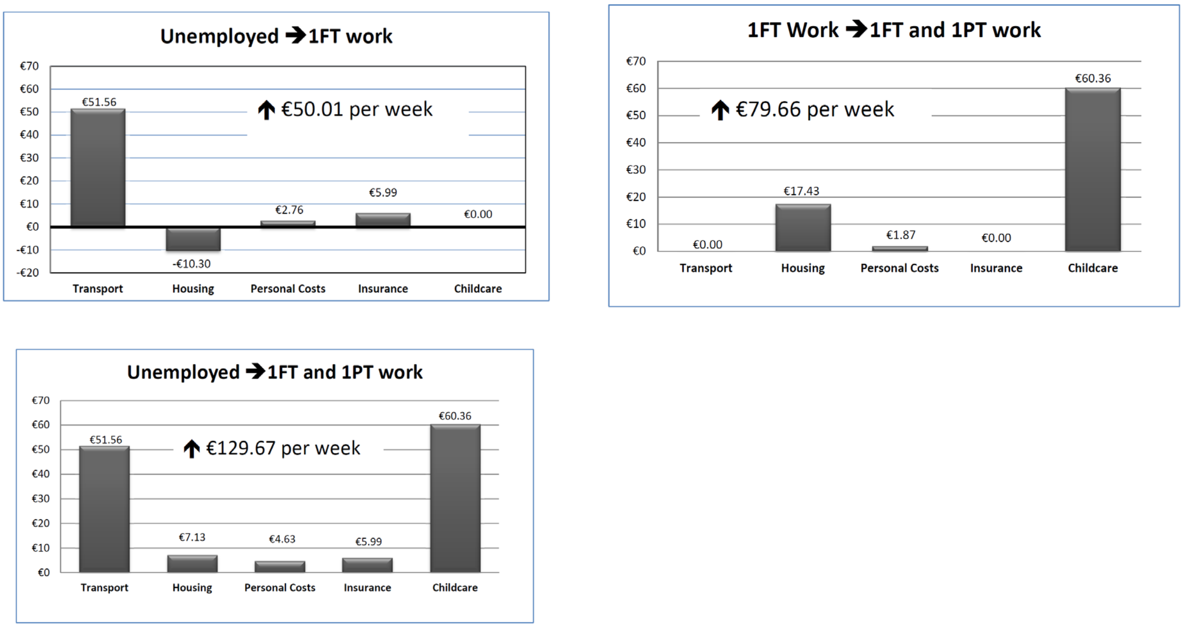
Chart 3: MESL and the cost of taking-up work – Rural 2 Adults, 2 Child Household *(€ per week)*



Notes: see table 3

In the same household, if the other adult also commences work on a part-time basis, the household faces additional weekly costs of a further €79.66 – explained by an increase in housing costs (rent), additional personal costs (union subscriptions) and childcare. Additional transport costs do not arise as the household MESL budget already includes provision for two cars and their insurance and running costs. Again, childcare costs represent the largest increase in costs associated with taking up work. Where both adults move from unemployment to employment, one full-time and one part-time, the costs of an MESL increase by €129.67 per week.

Chart 4: The additional costs of work - case study of 2A 2C Pre and Primary School (rural area)



Notes: See table 3 and table A2 in the appendix.

Urban Single Parent Households with 2 Children

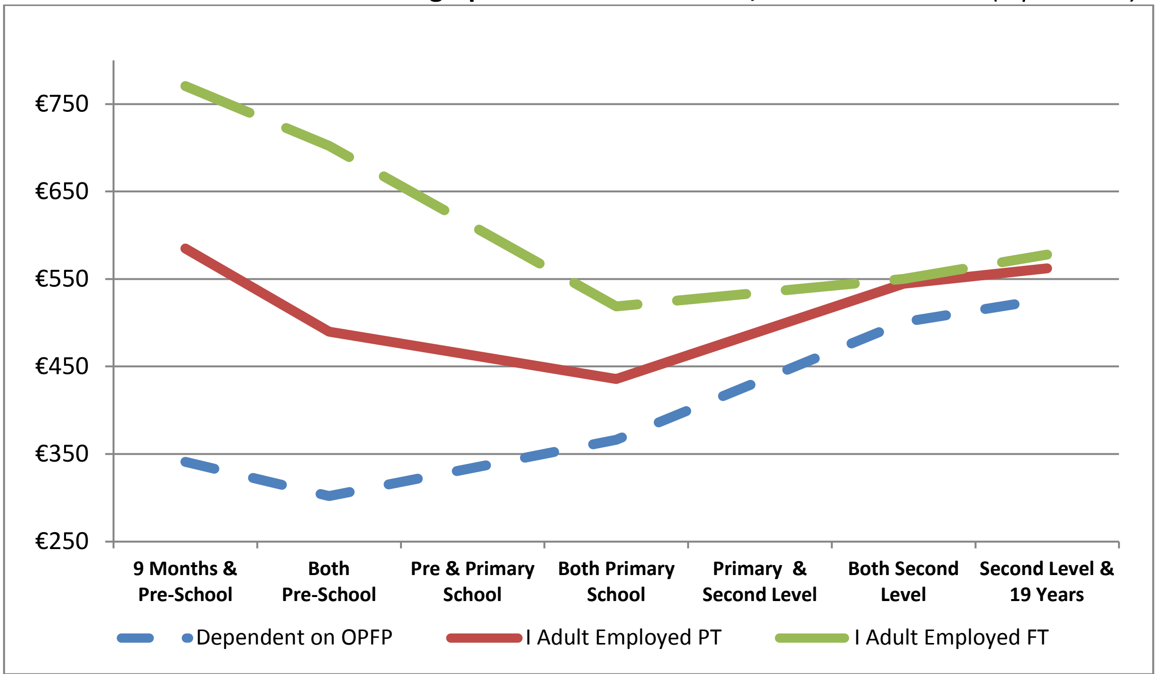
Table 4 summarises the results of the MESL assessment for urban single parent households with 2 children. The top three lines of data present the results of the MESL study for three variations of this household type. The difference between the costs of achieving a MESL when the household is only dependent on the One-Parent Family Payment (OPFP) versus where the adult is working part-time or full-time allows the final three lines of data in the table to be calculated. These identify the additional costs associated with moving from one household status (variation) to another. Chart 5 also summarises these results while table A3 in the appendix provides a more comprehensive breakdown of the expenditure amounts for each of the 16 expenditure categories outlined in table 1.

Table 4: MESL and the cost of taking-up work – Urban 1 Adult, 2 Child Household *(€ per week)*

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
MESL for each household type							
Dependent on One-Parent Family Payment (OPFP)	341.05	301.83	334.11	366.39	433.67	500.95	527.16
1 Adult Employed Part-Time	584.89	489.97	462.87	435.76	490.12	544.49	562.23
1 Adult Employed Full-Time	770.65	702.01	610.35	518.69	534.33	549.96	578.01
Additional costs associated with taking up employment							
OPFP ➔ PT work	+243.84	+188.14	+128.76	+69.37	+56.45	+43.54	+35.07
PT ➔ FT work	+185.76	+212.04	+147.48	+82.93	+44.21	+5.47	+15.78
OPFP ➔ FT work	+429.60	+400.18	+276.24	+152.30	+100.66	+49.01	+50.85

Notes: All figures are for March 2011.
Rounding may affect totals.
Further details are available in Table A3 in the appendix.
All employees earn the national minimum wage.
The income received by households in these situations, and how this compares to the MESL expenditure levels, is detailed in Collins et al (2012:93-147) and summarised in Table A5 in the appendix.

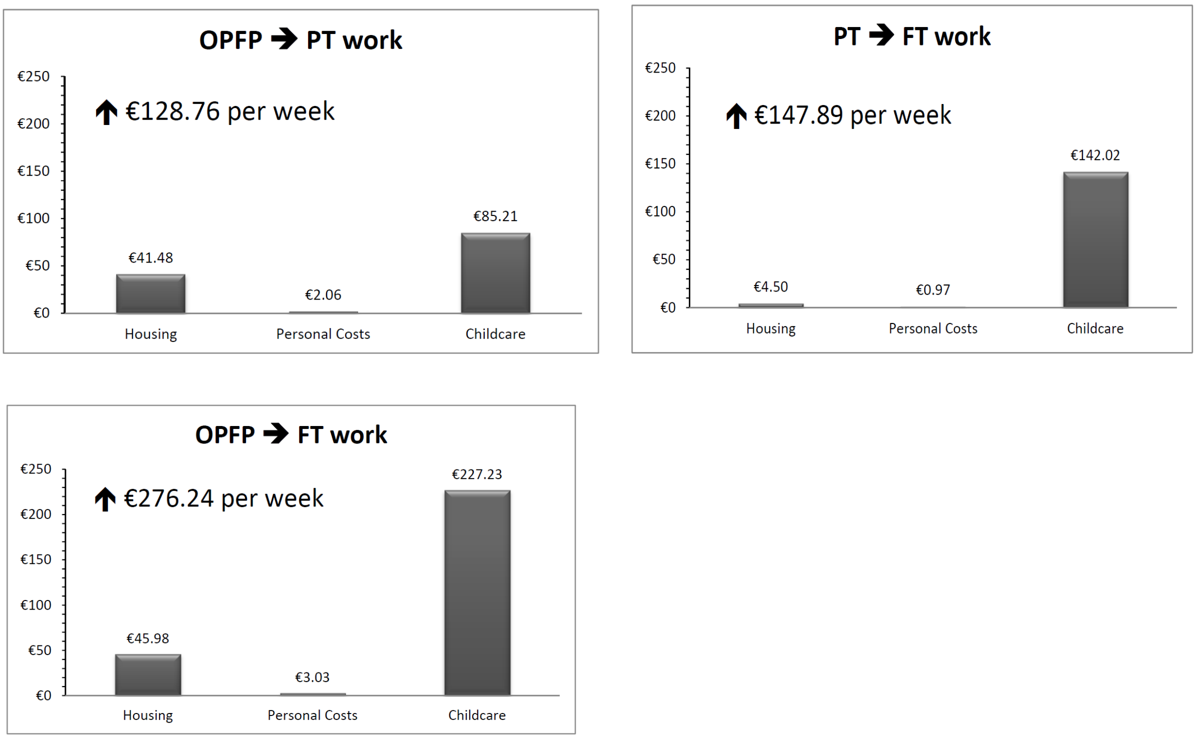
Chart 5: MESL and the cost of taking-up work – Urban 1 Adult, 2 Child Household *(€ per week)*



Notes: see table 4

To examine the reason for the additional costs associated with a single-parent taking up work, chart 6 selects as a case study a single parent household where the children are in pre-school and primary school. In this case the transition from when the household is dependent on the One-Parent Family Payment (OPFP) to where the single-parent takes up part-time employment imposes an additional weekly cost of €128.76 on the household – assuming an 19 hour week (see section 3) this implies an hourly costs of €6.78. These additional costs derive from additional personal costs for the employee, namely union membership payments, additional housing costs as the additional household income from work will alter the rent charged by the local authority to the household, and childcare costs. If the single-parent further increases his/her working hours to 37.5 hours per week (full-time) the household faces additional weekly costs of a further €96.52 – explained by a small further increase in housing costs (rent), additional personal costs (union subscriptions) and a further €142.02 for childcare. Where a single-parent move from being dependent on the One-Parent Family Payment (OPFP) to full-time employment, the costs of an MESL increase by €276.24 per week implying an hourly additional costs of €7.36.

Chart 6: The additional costs of work - case study of 1A 2C Pre and Primary School (urban area)



Notes: See table 4 and table A3 in the appendix.

Single Adult Households in Urban and Rural locations

Table 5 summarises the results of the MESL assessment for single adult households located in both urban and rural areas. The first column of the numbers in the table is for urban single adult households and the second is for rural single adult households. The MESL study did not calculate a scenario for single adults who part-time work, so the analysis is confined to those who are either unemployed and dependent on job seekers benefit or those who are at work full-time. Table A4 in the appendix provides a more comprehensive breakdown of the expenditure amounts for each of the 16 expenditure categories outlined in table 1.

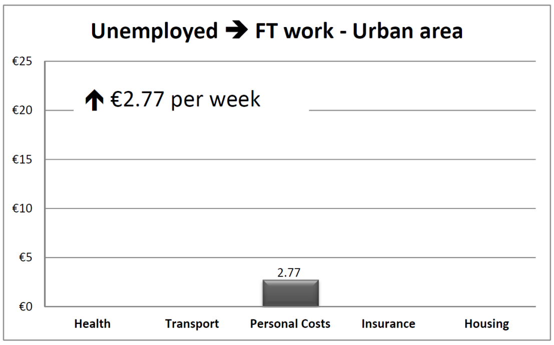
Table 5: MESL and the cost of taking-up work – Single Adult *(€ per week)*

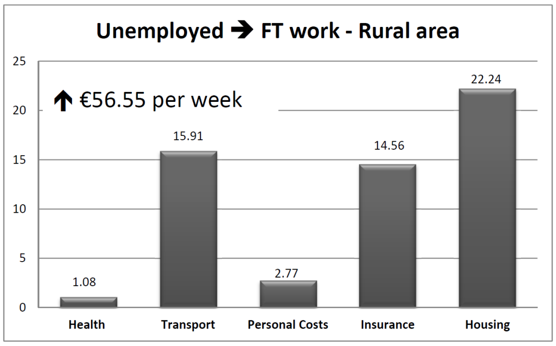
	Urban Single Adult Household	Rural Single Adult Household
MESL for each household type		
Unemployed, Dependent on JSB	355.23	368.01
I Adult Employed Full-Time	358.01	424.56
Additional costs associated with taking up employment		
Unemployed ➔ 1FT work	+2.77	+56.55

Notes: All figures are for March 2011.
Rounding may affect totals.
Further details are available in Table A4 in the appendix.
All employees earn the national minimum wage.
The income received by households in these situations, and how this compares to the MESL expenditure levels, is detailed in Collins et al (2012:93-147) and summarised in Table A6 in the appendix.

Chart 7 decomposes the additional costs associated with taking up employment for these households. For the urban single adult household the additional costs of taking up full-time employment is modest, at €2.77 per week, an increase explained by additional expenditure on trade union subscriptions. For such an individual their transport costs are already covered by the provision of a weekly bus ticket in their MESL budget and their accommodation costs are not linked to earnings (as they are assumed to be in a bed-sit). For a rural single adult, the costs of moving from unemployment to full-time work amount to €56.55 per week. Aside from union subscriptions (personal costs), the major increases are in the cost of housing (local authority rent) and transport related costs – running a car, fuel and insurance.

Chart 7: The additional costs of work - case study of Single Adult Household





Notes: See table 5 and table A4 in the appendix.

5. Implications and Conclusion

As the tables and charts in section 4 have shown, household who take up work, or move to further increase their participation in the active labour market, face additional costs. Judged against a benchmark of a minimum essential standard of living (MESL) such households need to earn additional income just to stand still – i.e. experience a basic standard of living. The quantum of that additional income varies, as we have shown, depending on a household's composition and location.

The existence and composition of these additional work related costs highlights a number of policy issues and considerations relevant for all households decisions around engagement with the labour market and in particular the decisions of households on low-incomes. For all households with children, the additional costs associated with childcare represent the largest additional household cost associated with taking up either part-time or full-time employment. Such costs are real for employees, and must clearly feature in their decision making calculations around taking up, increasing or indeed leaving work. However, from a policy perspective these tend to be latent costs with little consideration of the actual impact they may carry. Their scale and impact, relative to a household's additional income potential, raises questions regarding the integration of affordable childcare provision into the formation of labour market policy.

In rural areas, aside from childcare, the costs associated with additional transport needs are noticeable from the results. The limited rural transport infrastructure, and its lack of alignment with work hour frequencies and requirements, necessitates car travel and the associated cost of owning and running a motor vehicle. Again, such costs are probably invisible to policy makers focused on implementing policies for additional labour participation, but are likely to be real and influential in an individual or households decision to take up work.

The MESL values presented in the tables above are compared to the incomes of these household types in tables A5 and A6 in the appendix. As Collins et al (2012) have shown, the income received by many households is insufficient for them to be able to afford a MESL. Implied by these figures is that other forms of government policy can impact on the MESL and the gap (positive or negative) between it and a household's income. Taxation and social welfare changes alter the disposable income of households and in turn their ability to afford a MESL. For example increases in tax rates, reductions in tax credits and reductions in tax bands can all reduce the disposable income of a household (depending on the policy and the households work income) and make the MESL more unaffordable. Similarly alterations to secondary benefits or indirect taxation levels can change the composition and cost of an MESL. In terms of labour market policies, the impact of policy changes on the MESL value, on a household's ability to achieve it and on the items identified above as driving the additional costs of taking up work are worthy of note. Again, these are bound to impact on households decisions regarding their labour market participation.

Finally, the data above suggests that issues around the adequacy of income levels must be key influencers in the decisions of how individuals and households engage with the labour market. This view complements the growing international literature on the concept of a 'living wage' and underscores the need for policy to consider low wage rates not just in the context of competitiveness and competition but also in the context of income adequacy and living standards.

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Appendix

Table A1: Expenditure – Urban 2 Adults, 2 Child Household (€ per week)

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
Excluding Housing, Childcare & Secondary Benefits							
Food	116.11	103.58	113.32	123.05	130.06	137.07	151.79
Clothing	34.1	22.23	23.89	25.55	30.44	35.34	38.33
Personal Care	29.22	19.23	20.73	22.23	28.95	35.68	37.14
Health	13.89	10.04	9.99	9.95	10.62	11.3	11.2
Household Goods	33.17	24.73	25.38	26.04	27.29	28.54	28.53
Household Services	8.28	8.28	8.28	8.28	8.28	8.28	8.28
Communications	12.12	12.12	12.12	12.12	29.28	46.44	34.66
Social Inclusion & Participation	62.32	64.7	75.47	86.24	104.35	122.46	128.67
Education	0	0	6.09	12.18	21.41	30.63	18.22
Transport	51.13	53.79	53.79	53.79	53.79	53.79	75.13
Household Fuel	35.58	34.38	34.38	34.38	35.6	36.82	38.02
Personal Costs	2.17	2.17	2.17	2.17	2.17	2.17	2.55
Insurance	43.88	43.88	43.88	43.88	43.88	43.88	53.14
Savings & Contingencies	28.58	28.58	28.58	28.58	28.58	28.58	28.58
Medical Card Eligibility	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Weekly Expenditure *(baseline)*	**470.54**	**427.7**	**458.07**	**488.44**	**554.7**	**620.96**	**654.24**
Unemployed, Dependent on JSB							
Health	-9.13	-9.18	-9.18	-9.19	-9.55	-9.91	-9.94
Household Services	-1.92	-1.92	-1.92	-1.92	-1.92	-1.92	-1.92
Housing	44.26	44.26	44.26	44.26	44.26	44.26	55.46
Childcare	0	0	0	0	0	0	0
Insurance	-39.72	-39.72	-39.72	-39.72	-39.72	-39.72	-48.98
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	-6.51	-6.56	-6.56	-6.57	-6.93	-7.29	-5.38
Weekly Expenditure	**464.03**	**421.14**	**451.50**	**481.87**	**547.77**	**613.67**	**648.85**
I Adult Employed Full-Time (Earning NMW)							
Health	-9.13	-9.18	-9.18	-9.19	-9.55	-9.91	-9.94
Household Services	-1.92	-1.92	-1.92	-1.92	-1.92	-1.92	-1.92
Housing	61.64	61.64	61.64	61.64	61.64	61.64	64.14
Personal Costs	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Childcare	0	0	0	0	0	0	0
Insurance	-39.72	-39.72	-39.72	-39.72	-39.72	-39.72	-48.98
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	+13.90	+13.85	+13.85	+13.84	+13.48	+13.12	+6.33
Weekly Expenditure	**484.44**	**441.55**	**471.92**	**502.28**	**568.18**	**634.08**	**660.56**
Both Adults Employed, 1 Full-Time & 1 Part-Time (Earning NMW)							
Health	-9.13	-9.18	-9.18	-9.19	-3.39	-3.39	-3.39
Household Services	-1.92	-1.92	-1.92	-1.92	0	0	0
Housing	70.89	70.89	70.89	70.89	70.82	70.82	73.62
Personal Costs	5.09	5.09	5.09	5.09	5.09	5.09	5.09
Childcare	200.3	144.6	85.21	25.82	12.91	0	0
Insurance	-39.72	-39.72	-39.72	-39.72	0	0	0
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*GP Visit*	*GP Visit*	*GP Visit*
Total change from baseline	+225.51	+169.76	+110.37	+50.97	+85.43	+72.52	+75.32
Weekly Expenditure	**696.05**	**597.46**	**568.44**	**539.41**	**640.13**	**693.48**	**729.55**

Table A2: Expenditure – Rural 2 Adults, 2 Child Household (€ per week)

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
Excluding Housing, Childcare & Secondary Benefits							
Food	135.11	125.13	136.89	148.65	157.11	165.58	178.48
Clothing	40.91	30.73	32.76	34.79	40.01	45.23	45.97
Personal Care	29.27	19.37	21.07	22.78	28.52	34.26	36.43
Health	11.79	7.69	7.69	7.69	8.09	8.49	8.43
Household Goods	34.01	24.79	25.38	25.97	27.49	29.02	29.7
Household Services	10.21	10.21	10.21	10.21	10.21	10.21	10.21
Communications	11.88	11.88	11.88	11.88	28.88	45.89	34.26
Social Inclusion & Participation	55.84	57.48	67.47	77.46	87.31	97.15	106.37
Education	0	0	6.94	13.88	21.67	29.46	17.15
Transport	68.28	68.28	68.28	68.28	68.28	68.28	86.5
Household Fuel	55.9	54.7	54.7	54.7	55.86	57.01	58.28
Personal Costs	3.16	3.16	3.16	3.16	3.16	3.16	3.54
Insurance	51.97	51.97	51.97	51.97	51.97	51.97	61.24
Savings & Contingencies	28.58	28.58	28.58	28.58	28.58	28.58	28.58
Medical Card Eligibility	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Weekly Expenditure *(baseline)*	**536.91**	**493.96**	**526.97**	**559.99**	**617.14**	**674.29**	**705.13**
Unemployed, Dependent on JSB							
Health	-7.19	-7.07	-7.07	-7.07	-7.11	-7.16	-7.16
Childcare	0	0	0	0	0	0	0
Insurance	-39.72	-39.72	-39.72	-39.72	-39.72	-39.72	-48.98
Housing	54.97	54.97	54.97	54.97	54.97	54.97	64.41
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	+8.06	+8.18	+8.18	+8.18	+8.14	+8.09	+8.27
Weekly Expenditure	**544.97**	**502.14**	**535.16**	**568.17**	**625.28**	**682.39**	**713.40**
I Adult Employed Full-Time (Earning NMW)							
Health	-7.19	-7.07	-7.07	-7.07	-7.11	-7.16	-7.16
Transport	51.56	51.56	51.56	51.56	51.56	51.56	51.56
Personal Costs	2.76	2.76	2.76	2.76	2.76	2.76	2.76
Childcare	0	0	0	0	0	0	0
Insurance	-33.73	-33.73	-33.73	-33.73	-33.73	-33.73	-43
Housing	44.67	44.67	44.67	44.67	44.67	44.67	56.01
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	+58.07	+58.19	+58.19	+58.19	+58.15	+58.10	+60.17
Weekly Expenditure	**594.97**	**552.15**	**585.17**	**618.18**	**675.29**	**732.40**	**765.31**
Both Adults Employed, 1 Full-Time & 1 Part-Time (Earning NMW)							
Health	-7.19	-7.07	-7.07	-7.07	-7.11	-7.16	-7.16
Transport	51.56	51.56	51.56	51.56	51.56	51.56	51.56
Personal Costs	4.63	4.63	4.63	4.63	4.63	4.63	4.63
Childcare	150.11	94.87	60.36	25.85	12.92	0	0
Insurance	-33.73	-33.73	-33.73	-33.73	-33.73	-33.73	-43.00
Housing	62.10	62.10	62.10	62.10	62.10	62.10	73.31
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	+227.48	+172.36	+137.85	+103.34	+90.37	+77.40	+79.34
Weekly Expenditure	**764.39**	**666.33**	**664.83**	**663.33**	**707.52**	**751.70**	**784.48**

Table A3: Expenditure – Urban 1 Adult, 2 Child Household (€ per week)

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
Excluding Housing, Childcare & Secondary Benefits							
Food	86.21	77.35	89.00	100.65	109.04	117.43	125.18
Clothing	28.75	16.89	18.55	20.21	25.10	29.99	32.99
Personal Care	21.23	11.24	12.74	14.24	20.97	27.69	29.15
Health	12.57	8.72	8.67	8.63	9.31	9.98	9.88
Household Goods	30.66	22.22	22.87	23.53	24.78	26.03	26.02
Household Services	6.70	6.70	6.70	6.70	6.70	6.70	6.70
Communications	6.21	6.21	6.21	6.21	23.37	40.52	28.75
Social Inclusion & Participation	40.24	42.62	53.39	64.17	82.27	100.38	106.59
Education	0.00	0.00	6.09	12.18	21.41	30.63	18.22
Transport	26.89	29.56	29.56	29.56	29.56	29.56	50.89
Household Fuel	35.36	34.16	34.16	34.16	35.38	36.60	37.80
Personal Costs	2.17	2.17	2.17	2.17	2.17	2.17	2.55
Insurance	29.32	29.32	29.32	29.32	29.32	29.32	38.58
Savings & Contingencies	18.94	18.94	18.94	18.94	18.94	18.94	18.94
Medical Card Eligibility	*None*	*None*	*None*	*None*	*None*	*None*	*None*
Weekly Expenditure *(baseline)*	**345.26**	**306.09**	**338.38**	**370.66**	**438.30**	**505.94**	**532.24**
Dependent on One-Parent Family Payment							
Health	-7.85	-7.91	-7.91	-7.91	-8.27	-8.64	-8.67
Household Services	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54
Housing	30.34	30.34	30.34	30.34	30.34	30.34	39.54
Childcare	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	-25.16	-25.16	-25.16	-25.16	-25.16	-25.16	-34.42
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	-4.21	-4.27	-4.27	-4.27	-4.63	-5.00	-5.09
Weekly Expenditure	**341.05**	**301.83**	**334.11**	**366.39**	**433.67**	**500.95**	**527.16**
I Adult Employed Part-Time (Earning NMW)							
Health	-7.85	-7.91	-7.91	-7.91	-8.27	-8.64	-8.67
Household Services	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54
Housing	71.82	71.82	71.82	71.82	71.82	71.82	72.55
Personal Costs	2.06	2.06	2.06	2.06	2.06	2.06	2.06
Childcare	200.30	144.60	85.21	25.82	12.91	0.00	0.00
Insurance	-25.16	-25.16	-25.16	-25.16	-25.16	-25.16	-34.42
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	239.63	183.87	124.48	65.09	51.82	38.54	29.98
Weekly Expenditure	**584.89**	**489.97**	**462.87**	**435.76**	**490.12**	**544.49**	**562.23**
I Adult Employed Full-Time (Earning NMW)							
Health	-7.85	-7.91	-7.91	-7.91	-8.27	-8.64	-8.67
Household Services	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54	-1.54
Housing	76.32	76.32	76.32	76.32	76.32	76.32	87.36
Personal Costs	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Childcare	380.59	351.17	227.23	103.29	51.64	0.00	0.00
Insurance	-25.16	-25.16	-25.16	-25.16	-25.16	-25.16	-34.42
Medical Card Eligibility	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*	*Full*
Total change from baseline	425.39	395.91	271.97	148.03	96.02	44.01	45.76
Weekly Expenditure	**770.65**	**702.01**	**610.35**	**518.69**	**534.33**	**549.96**	**578.01**

Table A4: Expenditure – Urban and Rural Single Adult Household (€ per week)

	Urban Single Adult Household	Rural Single Adult Household
Excluding Housing, Childcare & Secondary Benefits		
Food	73.65	84.91
Clothing	13.29	13.65
Personal Care	13.25	10.58
Health	4.8	1.7
Household Goods	8.8	21.5
Household Services	0	7.7
Communications	16.63	11.11
Social Inclusion & Participation	54.22	59.38
Education	2.9	2.42
Transport	29.23	50.59
Household Fuel	8.95	44.52
Personal Costs	2.16	6.4
Insurance	14.56	26.17
Savings & Contingencies	15.64	15.64
Medical Card Eligibility	*None*	*None*
Weekly Expenditure *(baseline)*	**258.09**	**356.28**
Unemployed, Dependent on JSB		
Health	-4.25	-1.54
Insurance	-14.56	-14.56
Housing	115.96	27.83
Medical Card Eligibility	*Full*	*Full*
Total change from baseline	+97.15	+11.73
Weekly Expenditure	**355.23**	**368.01**
Employed Full-Time (Earning NMW)		
Health	-4.25	-0.46
Transport	0	15.91
Personal Costs	2.77	2.76
Insurance	-14.56	0
Housing	115.96	50.07
Medical Card Eligibility	*Full*	*GP Visit*
Total change from baseline	+99.92	+68.28
Weekly Expenditure	**358.01**	**424.56**

Table A5: Comparisons of the MESL and Household Income for households with children *(€ per week)*

	9 Months & Pre-School	Both Pre-School	Pre & Primary School	Both Primary School	Primary & Second Level	Both Second Level	Second Level & 19 Years
Urban Household of 2 Adults and 2 Children							
MESL Unemployed	464.03	421.14	451.50	481.87	547.77	613.67	648.85
Income	437.02	437.02	440.87	444.71	446.73	448.75	480.78
Adequate / **Inadequate**	**-27.02**	15.88	**-10.64**	**-37.17**	**-101.04**	**-164.92**	**-168.07**
I Adult Employed FT	484.44	441.55	471.92	502.28	568.18	634.08	660.56
Income	552.88	552.88	556.73	560.57	562.59	564.61	568.44
Adequate / **Inadequate**	68.43	111.32	84.81	58.28	**-5.60**	**-69.48**	**-92.12**
Both Adults Employed, 1 FT & 1PT	696.05	597.46	568.44	539.41	640.13	693.48	729.55
Income	616.94	616.94	620.79	624.63	626.65	628.67	634.50
Adequate / **Inadequate**	**-79.11**	19.48	52.35	85.21	**-13.48**	**-64.81**	**-95.06**
Rural Household of 2 Adults and 2 Children							
MESL Unemployed	544.97	502.14	535.16	568.17	625.28	682.39	713.40
Income	437.02	437.02	440.87	444.71	446.73	448.75	480.78
Adequate / **Inadequate**	**-107.95**	**-65.13**	**-94.29**	**-123.47**	**-178.55**	**-233.64**	**-232.62**
I Adult Employed FT	594.97	552.15	585.17	618.18	675.29	732.40	765.31
Income	552.88	552.88	556.73	560.57	562.59	564.61	568.44
Adequate / **Inadequate**	-**42.10**	0.72	**-28.44**	**-57.62**	**-112.70**	**-167.79**	**-196.87**
Both Adults Employed, 1 FT & 1PT	764.39	666.33	664.83	663.33	707.52	751.70	784.48
Income	616.94	616.94	620.79	624.63	626.65	628.67	634.50
Adequate / **Inadequate**	**-147.45**	**-49.39**	**-44.04**	**-38.70**	**-80.87**	**-123.03**	**-149.99**
Urban Household of 1 Adult and 2 Children							
MESL Unemployed	341.05	301.83	334.11	366.39	433.67	500.95	527.16
Income	324.53	325.53	328.38	332.22	334.24	336.26	368.29
Adequate / **Inadequate**	**-16.52**	23.69	**-5.74**	**-34.18**	-**99.44**	**-164.69**	**-158.87**
I Adult Employed FT	584.89	489.97	462.87	435.76	490.12	544.49	562.23
Income	601.09	601.09	604.94	608.78	610.8	612.82	604.84
Adequate / **Inadequate**	16.20	111.11	142.07	173.02	120.67	68.33	42.61
Both Adults Employed, 1 FT & 1PT	770.65	702.01	610.35	518.69	534.33	549.96	578.01
Income	631.04	631.04	634.89	638.74	640.76	642.78	635.54
Adequate / **Inadequate**	**-139.6**	**-70.97**	24.54	120.04	106.43	92.82	57.53

Table A6: Comparisons of the MESL and Household Income for Single Adult Households *(€ per week)*

	Urban Single Adult Household	Rural Single Adult Household
MESL Unemployed	355.23	368.01
Income	277.96	188.00
Adequate / **Inadequate**	**-77.27**	**-180.01**
I Adult Employed Full-Time	358.01	424.56
Income	313.85	313.57
Adequate / **Inadequate**	**-44.15**	**-110.98**

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