

# MESL 2023 Annual Update



MESL Research Team

15<sup>th</sup> June 2023

[Budgeting.ie](http://Budgeting.ie)

## Outline

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What is the MESL research

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Cost of living & inflation

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Change in the cost of a MESL

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Social welfare income adequacy

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Budget 2024

# MESL Research

Working with members of the public to identify the cost of a socially acceptable **Minimum Essential Standard of Living**.

- **What do people need to be able to live with dignity?**
- An acceptable minimum for everyone
- A level no-one should be expected to live below
- Consensual Budget Standards method
  - 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

# MESL Baskets

Members of the public, working in deliberative focus groups, discuss what's required.

They come to agreement on lists of needs and items, broken down by area of expenditure.

Covering everything from socks to wi-fi, school bags to toothpaste, and apples to electricity.

Needs and items vary by household type.

How a need is met can vary by region.



Food



Clothes



Personal Care



Health



Household Goods



Household Services



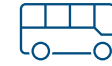
Communications



Social Inclusion



Education



Transport



Home Energy



Personal Costs



Insurance



Savings



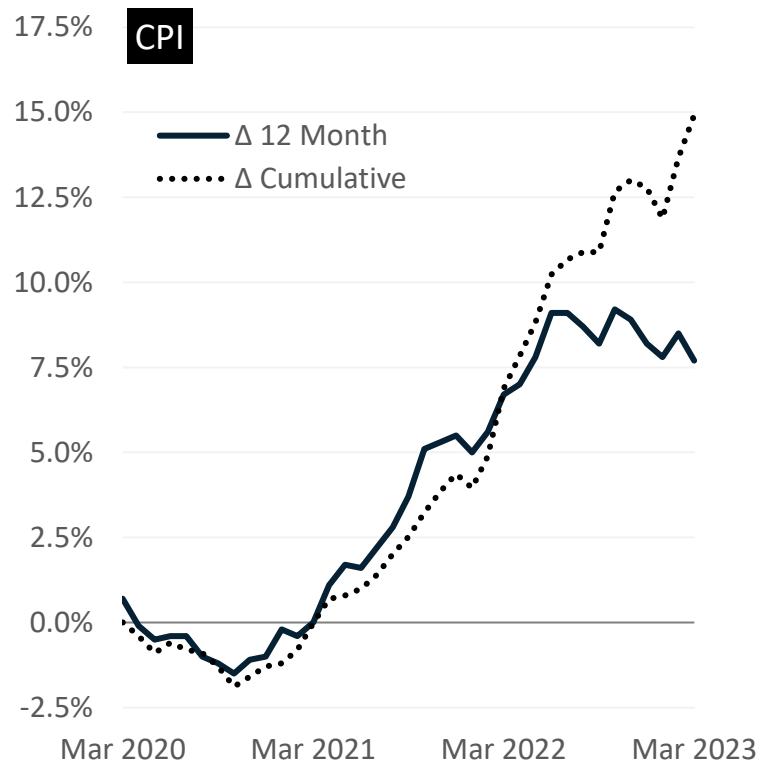
Housing



Childcare

# Cost of living & inflation

# Cost of living & inflation



- High inflation from mid 2021
- 12-months to March 2023 7.7%
- 10 years from 2010 to 2020 7.9%
- 12-month rate peaked in October 9.2%
- Prices continue to rise, but at a slower rate
- Oct to March, prices rose by 2.1%

# Change in the cost of a MESL



## 10.6% INCREASE FROM 2022

Higher inflation in minimum basket

MESL more sensitive to food & energy

18.9% increase from 2020



## FOOD INCREASED BY 20.8%

MESL food basket increased for all household types

Staples, such as milk, bread & butter show significant increase



## ENERGY

Urban +64%    ↑Gas & ↑ Electricity

Rural +6%    ↓Oil & ↑ Electricity



## INCOME ADEQUACY

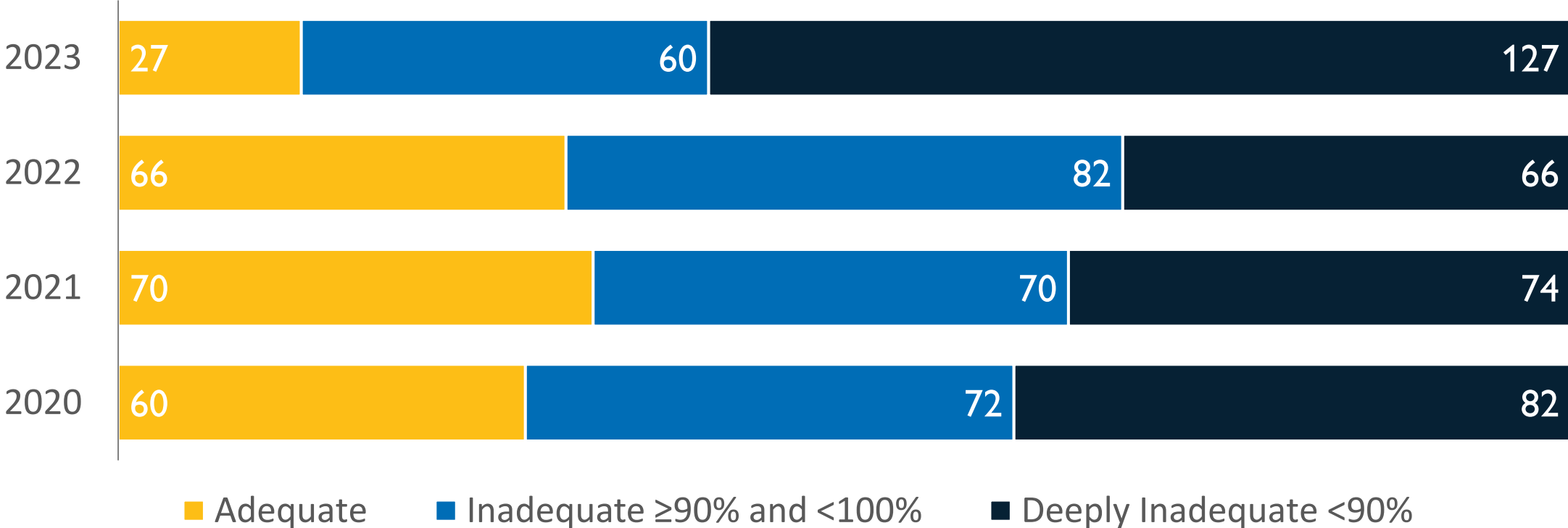
Income inadequacy widening to more household types

Income inadequacy deepening in many cases

# Social Welfare Income Adequacy



# Social Welfare Income Adequacy



# Single adult household types

## Working-Age Single Adult

Unemployed Jobseeker, Urban

- MESL €287
- SW Income €220
- Shortfall **€67**

*Consistently demonstrates deep income inadequacy*

## Older Single Adult

State Pension, Non-Contributory, Urban

- MESL €338
- SW Income €305
- Shortfall **€33**

*Adequate income from 2017 to 2022*

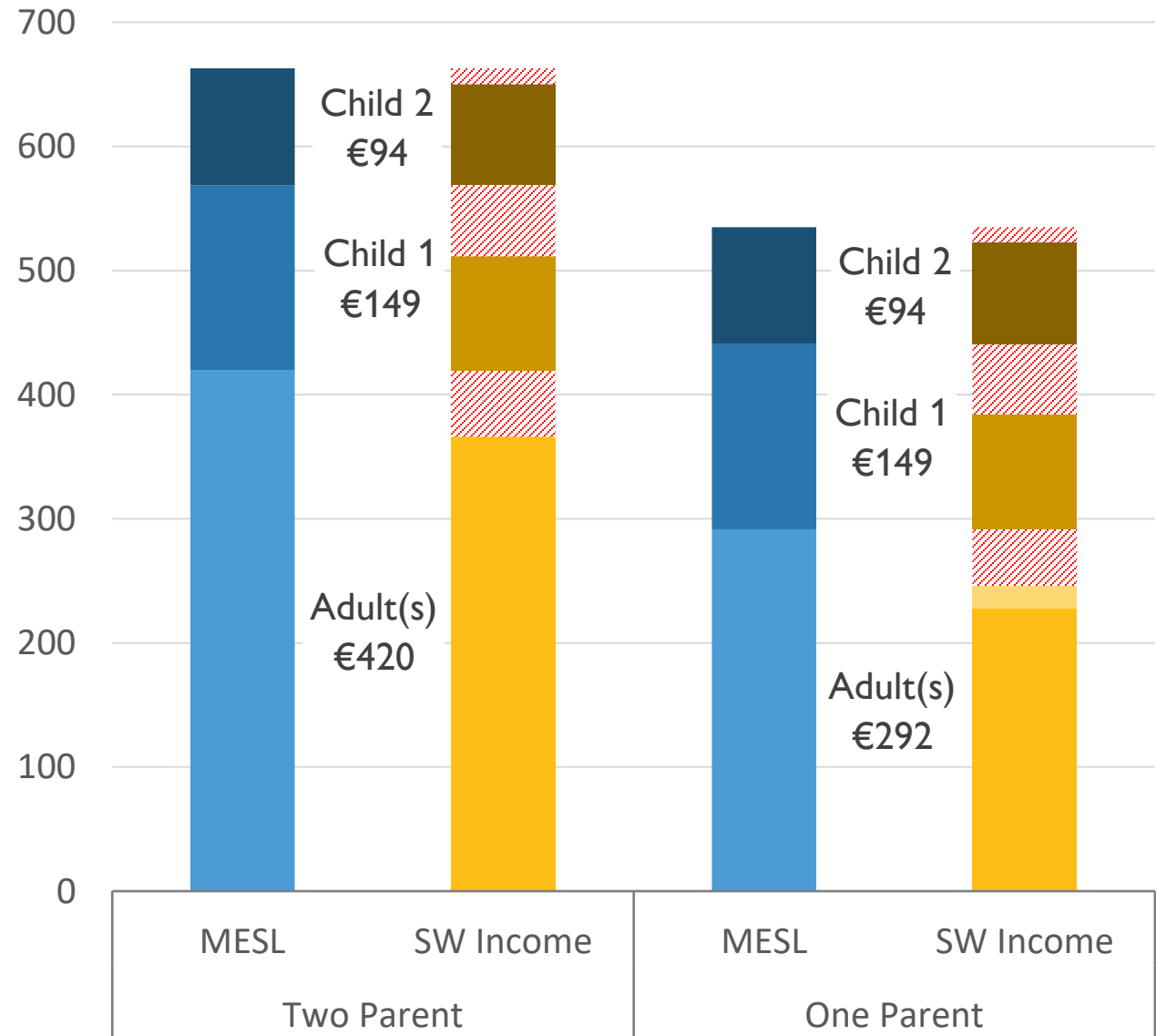
# Households with children

Household with two children  
(primary school & second level age)

- Two Parent 87%
- One Parent 84%
- Child 1, second level 61%
- Child 2, primary school 86%

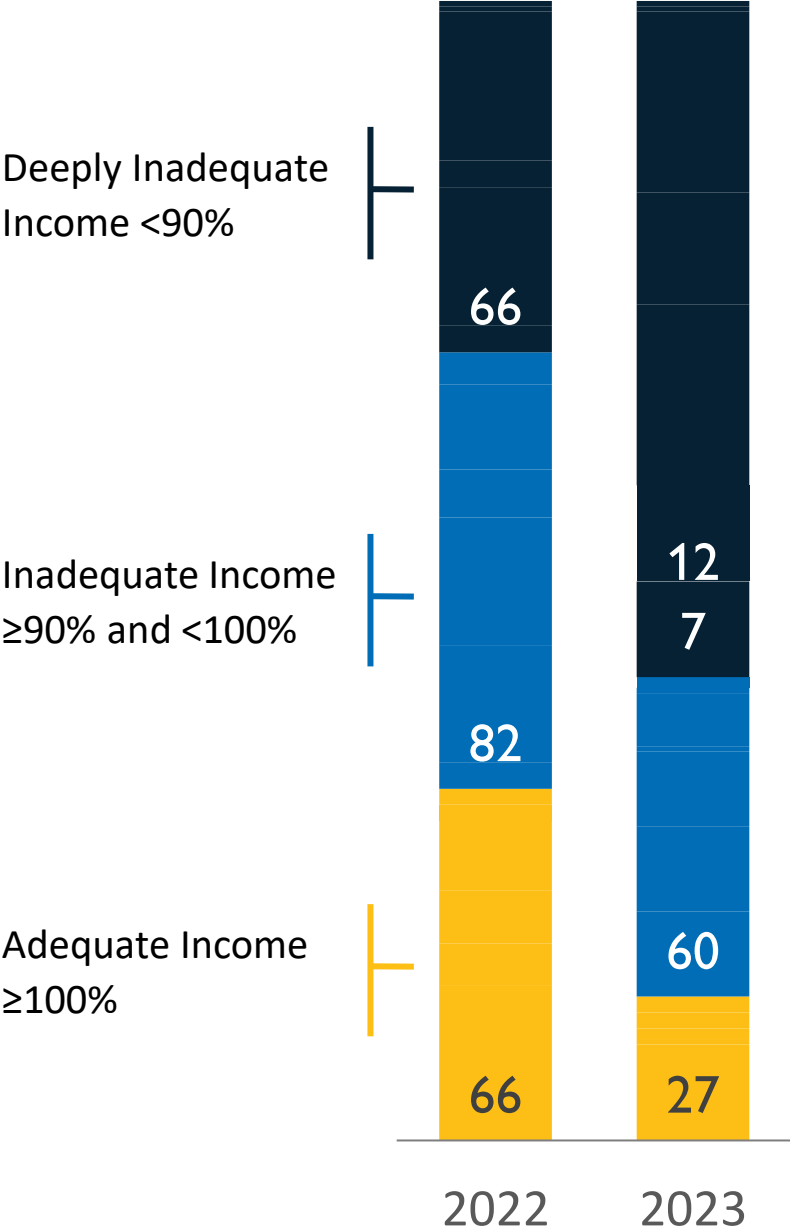
Cumulative Inadequacy

- Two Parent household 81%
- One Parent household 79%



# Change from 2022 to 2023

- Deep income inadequacy from increased 31% to 59% of cases
- Households with older children
  - Additional MESL needs
  - Incidence of deep inadequacy increased, from 56% to 82%
- One Parent households
  - Deeper inadequacy
  - Households with younger children
- Two Parent households



# Budget 2024

# Budget 2024

- 2023 rate changes a cut in real terms
  - Did not maintain real value of supports relative to inflation or change in minimum living costs
  - Supports meeting lower % of MESL in 2023
  - Inflation is forecast to ease, but prices not expected to return to previous levels
  - Budget 2024 should restore real value, relative to 2020 purchasing power
- Personal Rate                    **€247.50**    + €27.50
  - QCI Under 12                    **€ 52.00**    + €10.00
  - QCI 12 & older                    **€ 65.00**    + €15.00
  - BSCFA                                Retain €100 uplift
  - Fuel Allowance                                +€16 to €24
  - Adjust thresholds, bands, rates for other supports

# MESL 2023

#MESL2023

The full report and further data is available at:  
[www.budgeting.ie/publications/mesl-2023/](http://www.budgeting.ie/publications/mesl-2023/)

