



LIVING WAGE

Update 2024/25

€14.75 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 €14.75 per hour. The new rate represents a small decrease of 5c per hour over the 2023/24 rate (€14.80) - a change driven by the impact of temporary cost-of-living measures on living costs.

The living wage is calculated based on living costs and the new rate is associated with changes to these costs and income taxes over the past year. Over that period living costs increased for education (+6.6%), housing (+6.2%) and car insurance (+4.5%) while they decreased for energy (-16.6%), health (-4.8%) and household services (-4.0%). Overall, living costs increased by 1.7% (€8.74 per week) for a Living Wage worker, but this was outweighed by net-income gains (+2.1%, €10.42 per week) associated with income tax changes, in particular an increase in the value of the Rent Tax Credit.

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

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 that individuals working full-time should be able to earn enough to enjoy a decent standard of living (see graph on p3).

The Living Wage calculation is evidence based and built on budget standards research that tracks changes in living costs. The hourly figure:

- establishes the average gross salary which will enable full time (39hrs per week) employed adults (without dependents) across Ireland to afford a socially acceptable standard of living;
- is a living wage which provides for needs not wants;
- is unlike 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.

Timing of the Living Wage Update

The Technical Group announce the new rate at this time of year so that Living Wage employers and employees can factor the implications of any change into wage negotiations for the year to come.

Living Wage Calculation for 2024/25

EXPENDITURE	DUBLIN	CITIES	TOWNS	RURAL
Food	59.87	59.87	59.87	60.91
Clothing	13.21	13.21	13.21	13.54
Personal Care	10.91	10.91	10.91	10.64
Health	4.26	4.26	4.26	4.08
Household Goods	6.57	6.57	6.57	6.74
Household Services	4.04	4.04	4.04	2.25
Communications	14.50	14.50	14.50	16.40
Social Inclusion & Participation	60.50	60.50	60.50	53.82
Education	3.44	3.44	3.44	3.44
Transport	31.59	24.75	76.22	82.28
Housing	328.70	216.23	181.52	136.22
Household Energy	27.79	27.79	27.79	32.86
Personal Costs	7.53	7.53	7.53	7.53
Insurance - Health	14.54	14.54	14.54	14.54
Insurance - Car	8.53	6.41
Savings & Contingencies	10.00	10.00	10.00	10.00
Total Expenditure	597.44	478.14	503.42	461.65

INCOME CALCULATION

Annual				
Gross Salary	36,195.59	27,451.71	29,281.82	26,231.63
Net Salary	31,291.25	24,995.66	26,313.34	24,115.20
Weekly				
Gross Salary	694.20	526.50	561.60	503.10
Net Salary	600.14	479.40	504.67	462.51
Social Welfare				
Medical Card	GP Visit	GP Visit	GP Visit	GP Visit

LIVING WAGE CALCULATION

Weighting*	0.3008	0.0924	0.2007	0.4062
	ACTUAL	ROUNDED**		
LIVING WAGE – Gross per annum	29,953.43			
LIVING WAGE – Gross per week	574.48			
LIVING WAGE – rate per hour	14.73	14.75		

Notes: The Living Wage Technical Group has published a technical document entitled 'Calculating a Living Wage for the Republic of Ireland' where the methodology for calculating and updating the Republic of Ireland Living Wage is detailed. This is available at www.livingwage.ie

* Weights reflect the proportion of the working age population in each area (Census 2022). Rounded weights shown, unrounded data are used in calculations. The product of rounded figures will produce a marginally different result from that shown.

** Where required, the hourly figure is rounded to the nearest €0.05.

How is the Living Wage Calculated?

The Living Wage is set by the Living Wage Technical Group (LWTG) based on research identifying the Minimum Essential Standard of Living (MESL) in Ireland, conducted by the Vincentian MESL Research Centre at the SVP. This research establishes a consensus on what members of the public believe is a minimum standard that no individual or household should live below. Where necessary the core MESL data has been complemented by other expenditure costs for housing, insurance and transport. The calculation of the Republic of Ireland Living Wage is focused on a single-adult household. A more detailed account of the methodology used to set the Living Wage has been published in an accompanying Technical Document available on our website.

The Living Wage differs from the Government’s Living Wage which adopts a fixed threshold approach as opposed to the “basket of good” approach used by the LWTG. The Government’s living wage will be set at 60% of the median wage by 2026. As a means of moving towards this benchmark the statutory Minimum Wage is expected to increase to €13.70 per hour in 2025 (Budget 2025 will confirm the new rate).

Key Changes over the past year

As the Living Wage is calculated based on the cost of the expenditure categories detailed on p2, and on the basis of the post-tax and benefits income an individual receives, it is only changes to these that determine a change in the annual rate. Compared to last year, living costs increased for eight areas of expenditure included in the calculation and decreased for seven. Overall, weekly expenditure needed to increase by 1.7% (€8.74/week) to continue to meet the minimum standard.

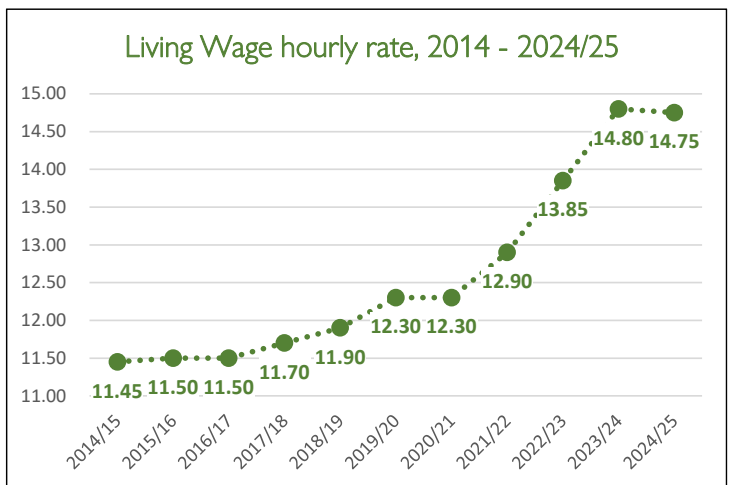
Over the past year tax changes, particularly the Rent Tax Credit, played an important role by increasing the net (after-tax) incomes of low paid workers. The combined amount of income tax, USC and PRSI paid by a Living Wage worker reduced

from €71.58/week to €61.16/week, a reduction of €10.42, mostly driven by the Rent Tax Credit.

These changes are greater than the increase in expenditure costs, meaning that the hourly income a Living Wage worker needs to earn to be able to afford the minimum living standard is 5c per hour lower in 2024/25.

This is the first time the Living Wage has fallen since the Technical Group started calculating it a decade ago (see diagram). Recent cost-of-living policy measures have had a clear impact on the rate - without the Rent Tax Credit, the hourly rate would be 50c higher; without the energy credits the rate would be 20c higher.

As the new Living Wage figure is based on price levels at the time of calculation (changes to summer 2024) the most recent increases and decreases in prices are not fully captured. These and subsequent cost of living changes will feed through to next year’s calculation.



*Expected rate – to be updated in forthcoming Budget

Family Living Incomes

While the calculation of the Living Wage is based on a single-adult household, the Living Wage Technical Group recognises that households with children experience additional costs which are relevant to any consideration of such household’s standards of living.

To put the Living Wage rate in context, and demonstrate the additional income and social support needs of households with children, a range of Family Living Income needs have also been calculated, following a complimentary method to that used for the Living Wage. Details of these Family Living Incomes are published each year to accompany the annual Living Wage update. Households with children have both additional expenditure needs due to their larger size, and different expenditure needs due to the different needs of children and parents. The budget standards data includes the Minimum Essential Standard of Living expenditure needs for family households with one or two parents and one to four children.

The Family Living Income data summarises the varying expenditure and income needs for a set of the most commonly occurring family household compositions - see table. For each household composition, the range in the Family Living Income needs is presented. As with the Living Wage figure, the range reflects an overall national range of gross income needs and is calculated in the same way.

It should be noted that these figures reflect the income needs of families given the current structure of social supports. The provision of affordable childcare and more comprehensive social housing options would notably reduce these income requirements.

A more detailed account of the methodology used to calculate these Family Living Incomes has been published by the Group and is available on the website.

Family Living Incomes – annual gross salary per adult, 2024		
	€ per adult	
Family Type	from	to
Two parents and one child (an infant)	25,825	29,280
Two parents and two children (one in pre-school and one in primary)	27,045	34,975
Two parents and three children (an infant, one in pre-school and one in primary)	33,145	42,295
Two parents and four children (two in primary school and two in secondary school)	37,415	44,330
One parent and one child (in primary school)	25,825	49,415
One parent and two children (one in pre-school and one in primary school)	25,825	67,715

Living Wage Website

The Living Wage website provides further details of the methodology, calculations and findings for the Living Wage and Family Income figures.

It also contains more information on the data used for our calculations, the international and historical context for the Living Wage and links to other Living Wage campaigns elsewhere in the world.

www.livingwage.ie

The Living Wage Technical Group is supported by:

