

Simon Community of Ireland: Submission to the Living Wage Public Consultation

Introduction

The Simon Communities of Ireland support plans within the Department of Enterprise, Trade and Employment to progress and implement a living wage in Ireland. A living wage is key to keeping individuals and families out of poverty and can help to protect people from housing insecurity and homelessness.

Poverty and Homelessness in Ireland

Rising housing costs and cost of living means that employment is no longer sufficient to keep people out of homelessness and poverty. The latest Survey on Income and Living Conditions (SILC) found that of people in employment 4.4% were at risk of poverty and 8.6% were at risk of experiencing deprivation.¹ During the pandemic, the Simon Communities witnessed an increase in the number of young people living in homeless emergency accommodation gaining employment and work placements. Unfortunately, due to low wages and the ever-increasing cost of housing and rent, securing employment is no longer a way out of homelessness for today's young people.

The link between poverty and housing insecurity or homelessness is heightened in the context of housing now accounting for an average of 55% of a single person's minimum living costs in Dublin, and over a third outside of Dublin.²

2022 has seen a drastic rise in the number of people in homelessness... In May 2022 there were 10,325 people living in emergency homeless accommodation; the first time the figure rose above 10,000 since before the pandemic and almost back to its peak level. Given the current trajectory, it is likely that we will continue seeing an increase in homelessness in the coming months.

So far³, in 2022, we have seen record high numbers of homelessness for a number of groups:

- Adults in emergency homeless accommodation (7,297)
- Single Adults in emergency homeless accommodation (5,054)
- Adult men in emergency homeless accommodation (4,725)
- 25-44 year olds in emergency homeless accommodation (3,908)
- And 45-65 year olds in emergency homeless accommodation (1,996)

In April 2022, we had record numbers of Young People aged 18-24 year in emergency homeless accommodation (1,246); a 70% increase in the number of young people homeless in just 12 months.

¹ Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2021/povertyanddeprivation/#:~:text=For%20persons%20living%20in%20households%20where%20no%20one%20is%20at,with%20two%20persons%20at%20work.>

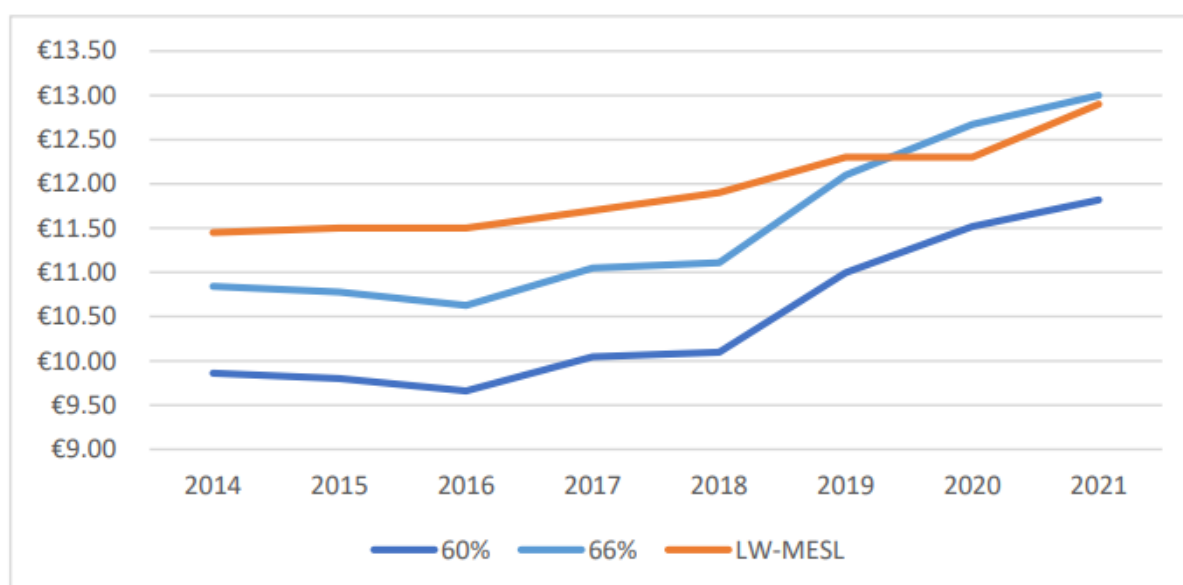
² Available at: https://www.livingwage.ie/download/pdf/living_wage_annual_paper_2021-22.pdf

³ Correct as of May figures 2022, Available at: <https://www.gov.ie/en/collection/80ea8-homelessness-data/>

We know that sufficient wages and social welfare rates are key to keeping families and individuals out of poverty and keep them safe in their home. The current housing and cost of living crisis are placing intolerable pressure on those on the lowest incomes and should be a further spur to government to act on the living wage.

Views on the Fixed Threshold Approach and Rates

Minimum wages need to be benchmarked against a robust anti-poverty measure. The Simon Communities of Ireland support the use of a fixed threshold approach as a target for introducing the living wage in Ireland. There are many benefits to working with this approach from an administrative and transparency point of view. While 60% of the median wage is a vast improvement on the current minimum wage in Ireland, the Simon Communities of Ireland believe that 66% is a more suitable target, as highlighted by the Low Pay Commission⁴. 66% of the median wage would be more in line with the Minimum Essential Standards of Living (MESL) such as that defined annually by the Living Wage Technical Group.⁵ This is clearly illustrated by the Low Pay Commission in their most recent report which features the table below comparing the effectiveness of fixed thresholds vs MESL⁶:



MESL reports thorough calculation that takes the real-life cost of living in Ireland into consideration. The Simon Communities recommend the MESL annual calculation be used to assess the effectiveness of the living wage in securing a decent standard of living. Data challenges associated with a fixed threshold approach – as highlighted by Maynooth University⁷ – need to be taken into consideration and addressed when progressing a living wage in Ireland:

- Structures are needed to ensure those calculating the living wage would have timely access to the very latest individual-level wage data
- Transparency is needed in calculating the living wage through this method with consideration of part-time workers, bonus and overtime allowances, and procedure in the

⁴ Low Pay Commission Report on the Living Wage, 2022. Available at: <https://assets.gov.ie/226962/f72dbeb6-00ef-46cb-8af9-c347cb0851ff.pdf>

⁵ Available at: <https://www.livingwage.ie/>

⁶ Ibid

⁷ Available at: <https://assets.gov.ie/226963/abf64971-90ba-4f77-966e-4e403ca4fd65.pdf>

case of a recession that could result in the median wage rising as lower paid people lose jobs.

The Simon Communities of Ireland supports the recommendation that there be no regional or sectoral variations. The current timeline for introducing a living wage is 2026. Given the rising cost of living and growing housing costs, the Simon community believe that the timeline of four years for achieving a living wage needs to be reduced and it should be included as a priority in Budget 2023.

About Simon Communities of Ireland

The Simon Communities support over 24,000 men, women, and children. We have 50 years of experience providing homeless, housing and treatment services to people facing the trauma and stress of homelessness. We are a network of independent Communities based in Cork, Dublin, Dundalk, Galway, the Midlands, the Mid West, the Northwest and the Southeast, responding to local needs and supported by a National Office in the areas of policy, research, communications and best practice. We share common values and ethos in tackling homelessness and, informed by our grassroots services, we campaign for more effective policies and legislation regionally, nationally and at European level.

Whatever the issue, Simon's door is always open for as long as we are needed. For more information, please visit www.simon.ie

Services include:

- Homelessness prevention, tenancy sustainment and resettlement
- Street outreach, emergency accommodation and harm reduction
- Housing with support and Housing First services
- Homeless specific health and wellbeing services (counselling; addiction treatment and recovery; and mental health supports)
- Personal development, education, training, and employment services
- Food banks, drop-in centres and soup runs