

## 300,000 Working for Less than the Hourly Living Wage

*There are 300,000 employees working for less than the hourly Living Wage – but this doesn't include all workers who may be earning below a living income. The Living Wage Technical Group<sup>1</sup> has calculated the Living Wage to be €11.45 per hour, or €446 per week for a single person. One-in-five workers earn below this hourly rate. This puts workers at risk of poverty and deprivation, undermines enterprise performance, reduces economic growth and imposes costs on the Exchequer. Poverty-line wages drag us all down.*

The Living Wage is defined as the average gross wage which will provide full-time employed adults (without dependents) a socially acceptable minimum standard of living. Unlike the National Minimum Wage, the Living Wage is an evidence-based rate of pay which is derived from Consensual Budget Standards research conducted by the Vincentians Partnership for Social Justice, which establishes the cost of a Minimum Essential Standard of Living in Ireland today.

The following estimate is based on CSO data supplied to the Nevin Economic Research Institute. The data is from 2009; we have updated the numbers by reference to average hourly wage increases. Therefore, the following is an approximation.

### CSO National Employment Survey 2009 (Updated to 2013)

	P10	P20
<b>Median Hourly Wage</b>	€9.83	€11.65
<b>Number of Employees earning below the hourly Living Wage</b>	153,300	136,200

10 percent of all employees – or 153,000 - earn less than €9.83 (P10). 20 percent of all employees earn less than €11.65 (P20). While a small number of workers in this second decile will earn over the Living Wage threshold, we estimate that 136,000 workers earn below. Not included in this CSO data are agricultural employees. We estimate that 12,700 employees in this low-paid sector earn less than the hourly Living Wage.

- **This comes to a total of 302,000 – or 19.4 percent of all employees.**

The CSO estimates that over 16 percent of those in work – or over 300,000 – suffer multiple deprivation experiences (this includes the self-employed). 31 percent of households with one income from work also live in deprivation. Given this scale of in-work poverty, the estimate of 300,000 employees earning below the hourly Living Wage appears robust.

### The Private Sector Economy

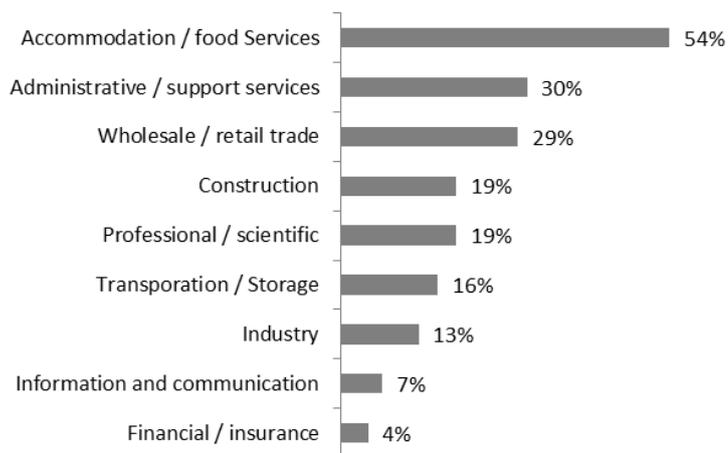
When we examine pay levels in the private sector, the proportion of employees earning below the hourly Living Wage rises. The private sector is usually referred to as the market or business economy. It includes all sectors except agriculture, public administration, health, education and arts / recreation. The following is a sectoral estimate of the numbers earning below the hourly Living Wage.

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**The Living Wage is calculated at €11.45 per hour, or €446 per week.**

**Unite estimates that there are 300,000 workers earning below the hourly Living Wage – or one-in-five employees.**

### Estimated Percentage of Workers Earning Below the Hourly Living Wage by Sector



In the market economy, 245,000 workers work below the hourly Living Wage – or 24 percent of all employees in the private sector economy.

#### A Conservative Estimate

The above only attempts to estimate the number earning below the *hourly* Living Wage. This does not include all those who are working but unable to earn a Living Income.

- 1) The €11.45 per hour is based on a single person working full-time. For households with children, this will not be enough to provide a living income. There will be obvious extra expenditures, notably childcare and housing costs. For instance, the Living Wage Technical Group estimates that a household with two adults working and one child could require an hourly Living Wage of up to €13 per hour to have a socially acceptable minimum living standard. However, the data does not allow us to estimate the numbers in this substantial category.
- 2) There are 140,000 workers categorised as *under-employed*, meaning that they are working part-time but want to work more hours. Many of these workers may earn more than €11.45 per hour but don't work enough hours to earn the weekly Living Wage of €446.

With these two groupings, we can see that there is a high level of employees – well above 300,000 – that are not earning enough to provide a socially acceptable minimum standard of living. This is one of the biggest challenges the economy will face over the rest of the decade – to ensure that everyone who works earns enough to live on.

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**50 percent of workers in the Hospitality sector earn less than the hourly Living Wage.**

**300,000 earn below the hourly Living Wage. But this doesn't include under-employed workers and households with children which have higher expenditure needs.**

<sup>i</sup> The Living Wage Technical Group is made up of the Vincentians Partnership for Social Justice, Social Justice Ireland, Unite the Union, SIPTU, Nevin Economic Research Institute, and TASC. Details regarding the methodology used to determine the Living Wage can be found at [www.livingwage.ie](http://www.livingwage.ie)