Social Welfare Rate Changes 2011 - 2022

There is a data visualisation containing detailed interactive analysis of rates to accompany this note, available here. In addition, there is a map visualisation of social welfare data available here.

Key Messages

- Indexation is not a feature in Ireland's tax and welfare system. The practice is that welfare rate changes announced at Budget time tend to be arbitrary amounts (e.g. €5 per week), although they have mapped closely to inflation over time. In contrast, in many OECD countries indexation rather than ad hoc changes prevail.
- This PBO analysis shows that flat increases in social welfare payments, such as the €5 increase to be applied to core benefits in 2022, result in disproportionate percentage changes and do not systematically account for price (or wage) inflation in a consistent manner.
- Jobseeker's Benefit will have increased 10.6% in nominal terms between 2011 and 2022, but the real increase is substantially less over that period at 2.3% - accounting for inflation and the 2022 inflation forecast.
- Likewise, the Contributory State Pension will have increased 10% between 2011 and 2022 in nominal terms, but only 1.7% when inflation adjusted.
- Lower value payments such as the Living Alone Allowance and the Island Allowance will have increased proportionately more than others over the period 2011-2022, even in real terms (164.2% and 45.6% respectively).
- Recent inflation rates and forecasts have resulted in real rate decreases in some instances, e.g. the Contributory State Pension will decrease 0.5% in real terms in 2022 based on the inflation forecast of 2.5%. Therefore, although the Contributory State Pension will increase by €5 per week in 2022, the purchasing power of the weekly payment will actually be less due to inflation.
- Child Benefit returned to the €140 per month rate in 2016, with no increases since. This means that the real rate in 2022 will have decreased 7.5% since 2011, 5.3% since 2017 and 2.4% between 2021 and 2022 alone.
- Traditionally a benchmark of 34% of average weekly earnings has been in place for the State Pension. Although the Contributory State Pension rate was close to this benchmark a decade ago, the rate may fall to 28.2% in 2022 as a result of accelerating wage growth.

Key Messages (continued)

- The main inflation measure, the Consumer Price Index, may be underestimating real cost of living increases faced by parts of the population at present, in particular those in self-funded private rented accommodation. Therefore, indexation of welfare rates to inflation, even if adopted, may not be adequate at present to maintain living standards for all.
- ESRI research shows that price indexation (of the welfare and tax systems combined) is not neutral from a distributional impact perspective across the income spectrum. Lower income group gains are well below those of the upper income groups in such a scenario.
- Wage indexation of the welfare/tax system may be desirable from an equality perspective, resulting in relatively proportionate income gains across groups, but comes at a substantial annual net cost to the Exchequer – estimated by the ESRI to be circa €1.23bn, at 2019 prices.

Introduction

Budget 2022 includes provision for flat €5 increases to many of the core social welfare payments, including Jobseeker's Benefit, Jobseeker's Allowance (including for those under 25), Contributory State Pension, Non-Contributory State Pension, Carer's Benefit, Illness Benefit, Disability Allowance and the Community Employment Programme. Most Qualified Adult Allowance[1] rates associated with these core benefits are to increase by €3.30[2]. These flat increases result in differing proportional increases and are therefore not tracking inflation in a consistent manner, regardless of the actual rate of inflation. This note looks at rates of the various social welfare benefits over a 12-year period, up to 2022, to analyse the actual rate changes and proportional rate changes. In addition, price indexation and wage growth indexation rates are analysed to determine what rates would have been required over the period to keep pace with both measures (2011 is used as the base). Benefits not usually dependent upon income/hours worked etc. and that have been in place over the entire period are included. The Pandemic Unemployment Payment scheme (PUP) is not included in this analysis as this scheme is recent and transitory. Core benefits reported in table A2 of the *Department of Social Protection's Annual Statistical Report 2020*[3] are included.

Overview

This note analyses rates of social welfare payments from 2011 – 2022. Rates adjusted for inflation are also analysed to show the real rates after cost of living changes have been accounted for. Price and wage indexed rates are shown to determine what rate changes would have been required to keep pace with price inflation and wage growth over the period. Rates keeping pace with price inflation would result in the real rate (i.e. purchasing power) remaining unchanged. Rates keeping pace with wage growth would result in proportionate income changes for those reliant on welfare payments compared to those in employment.

In addition to looking at the trends and percentage changes, an analysis of rates compared to average weekly earnings is also included. The benchmarks chosen are 27%, 27.5% and 30% of average weekly earnings, in line with suggested benchmarks contained in the *Final Report of the Social Welfare Benchmarking and Indexation Group*[4] and in Social Justice Ireland's *Social Welfare Rates: Budget 2022 - The case for benchmarking and indexation*[5]. These benchmarks are considered appropriate as rates falling below these levels may not maintain living standards and may increase at risk of poverty rates.

Analysis of amounts presented are dependent upon the base year (2011) – all real and indexed amounts shown are in 2011 terms. Percentage change analyses are not dependent upon the base year used. The accompanying interactive data visualisation shows the trends in amounts and percentage changes from the previous year, and between any two selected years in one visualisation. Most core benefits are included in the data visualisations and charts can be filtered to visualise chosen benefits. For brevity, four main benefits are focussed on: Jobseeker's Benefit, Jobseeker's Allowance

1 QAA = Qualified Adult Allowance in the accompanying data visualisation.
2 The Budget 2022 Social Protection package is estimated by Government to be worth €558m, excluding the Christmas bonus.
3 Department of Social Protection, 2020 Annual Statistics Report, August 2021
4 Final Report of the Social Welfare Benchmarking and Indexation Group, September 2001
5 Social Justice Ireland, Social Welfare Rates: Budget 2022 – The case for benchmarking and indexation, September 2021

for those under 25, Contributory State Pension and Child Benefit for the 1st and 2nd Child. Full data tables are included as appendices to the data visualisations.

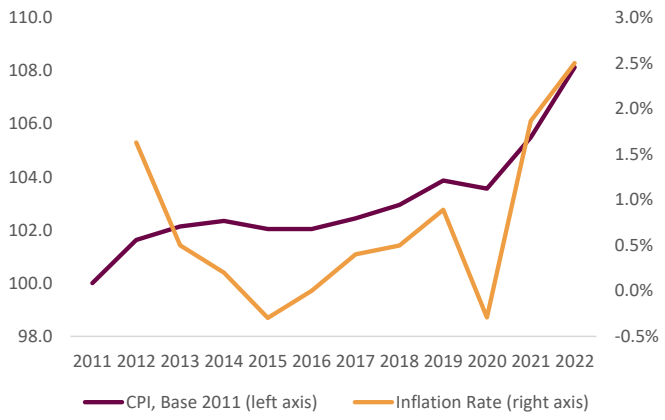
Inflation and wage growth, followed by indexation issues, are briefly discussed below. The remainder of the note focusses on the analysis of core welfare rates. This note does not analyse subsidiary social benefits such as rent supplement, Housing Assistance Payment, medical cards and other non-cash benefits / 'free schemes'. An analysis of unemployment traps (lack of financial incentive to choose work over welfare) would include the full suite of social benefits, and also childcare costs. Overall affordability is also not the focus. Social welfare rate increases may have an impact on the incentive to work and may not be fiscally sustainable. This note simply looks at core social welfare rates over time, and rate changes compared to both inflation and wage changes.

Inflation and Wage Growth

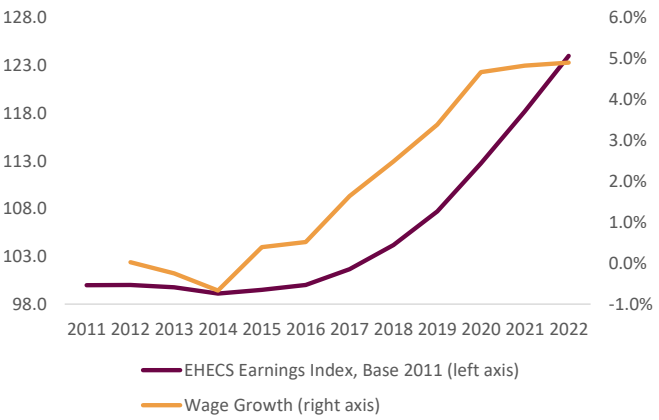
Figure 1 below shows the main Consumer Price Index[6] (CPI) and Earnings, Hours and Employment Costs Survey earnings index[7] (EHECS) over the period, annualised and rebased to 2011, with forecasts for 2022 included[8]. Inflation was relatively low during the period 2013 – 2020, with deflation recorded in 2015 and 2020, based on these specific CPI data. However, inflation has increased substantially in 2021 and is forecast by the ESRI to increase further in 2022 (2.5%)[9]. The ESRI inflation forecast for 2022 is mid-range, with the Department of Finance forecast at 2.2% and the Central Bank forecast at 2.9%[10]. Wage growth was stagnant in the earlier years of this period but has picked up pace in more recent years with rates of 4.7% and 4.8% in 2020 and 2021 (partial) respectively. Wage growth is forecast to be 4.9% in 2022[11]. As is evident from the magnitude of inflation and wage growth rates in recent years, benchmarking social welfare rates, to wage growth in particular, would present significant funding pressures.

Figure 1: CPI and Earnings Indices 2011 - 2022

(A) CPI and Inflation Rate



(B) Earnings Index and Wage Growth



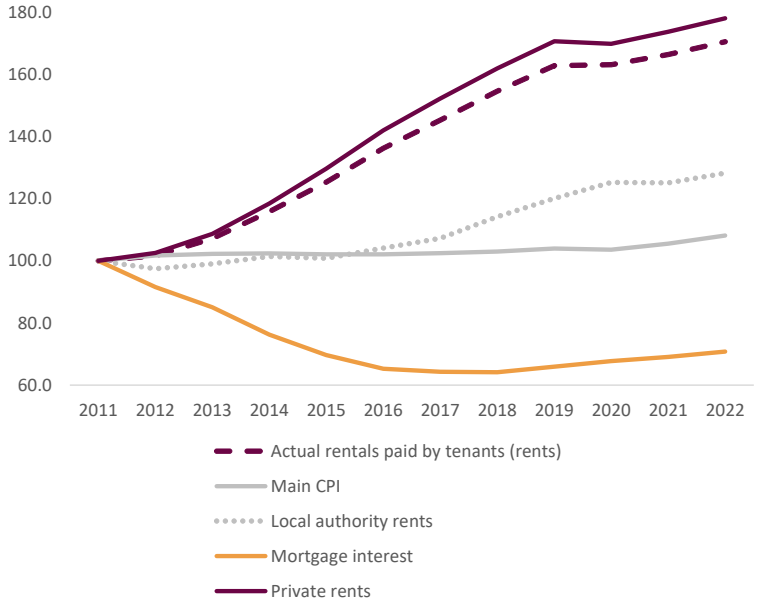
Source: CSO Data

The core CPI, presented above and used in this analysis, may be underestimating the real cost of living increases faced by many households at present. Energy and fuel costs, which disproportionately impact those in the lower income deciles and rural areas, are driving inflation at present but housing costs are also a key driver. Specifically, those living in self-funded private rented accommodation are facing recent cost of living increases beyond many owner-occupiers and those in State-supported accommodation. Mortgage interest rates, although still higher in Ireland than most other Eurozone countries[12], are relatively low at present.

6 The Consumer Price Index measures price changes to goods and services that people typically buy over time. Prices for around 53,000 goods and services are collected each month to construct the index.
7 The Earnings, Hours and Employment Costs Survey data are collected every quarter by the CSO and the earnings index uses average weekly or hourly earnings to show the change in earnings over time. Both indices follow similar paths, with the hourly earnings index subject to slightly less volatility during the Covid period. Weekly earnings from one year previous (termed the first lag) are also included in the interactive data visualisation to allow current welfare rates to be compared to the earnings measures one year earlier, a more suitable gauge for potential benchmarking.
8 CPI data for 2021 are available up to month 10 2021.
9 The 2022 inflation forecast (2.5%) is taken from the Economic and Social Research Institute's (ESRI) *Quarterly Economic Commentary, Autumn 2021*
10 *Budget 2022: Economic and Fiscal Outlook*, Department of Finance.
11 The 2022 earnings forecast (4.9%) is taken from the Central Bank's *Quarterly Bulletin 3 2021*
12 Central Bank of Ireland, *Statistical Release - Retail Interest Rates September 2021*, November 2021

Figure 2 below looks at selected CPI sub-indices to assess the difference in cost pressures by residential tenure status. The divergent trends are clear – mortgage interest has acted as a deflationary pressure over the period. In contrast, private rents have acted as a considerable inflationary pressure over the same period. Although the main CPI is used for comparison in this analysis, as this is the most likely benchmark, these differences are important for context. They highlight deficiencies in the main inflation rate which mask the real cost of living increases faced by parts of the population.

Figure 2: Selected CPI Sub-Indices 2011 – 2022

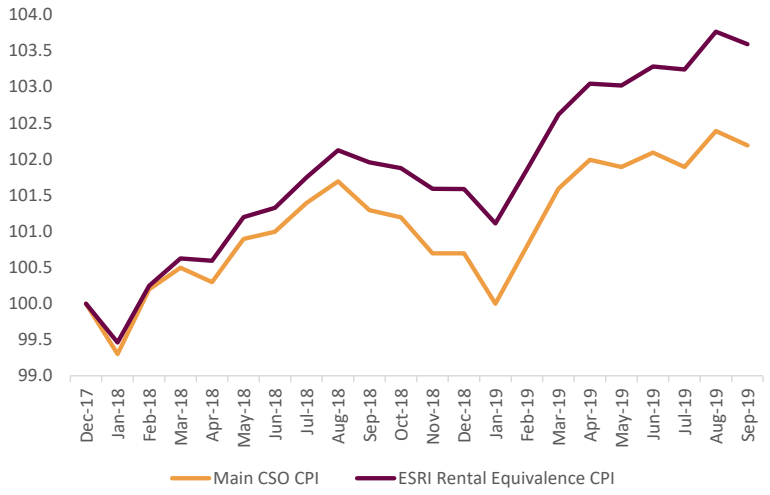


Source: CSO Data

The ESRI's paper *Estimating the cost of Irish housing for the CPI: A rental equivalence approach*[13], calculates an adjusted CPI based on a rental equivalence approach. This uses the equivalent rent owner-occupiers would incur if they had to rent their own properties. Individual CPI components are also reweighted with the owner-occupier element of housing receiving a higher weight than is the case for the standard CPI. This results in more pronounced inflation over the period covered in the ESRI analysis, as illustrated in Figure 3 below. Again, this highlights the potential underestimation by the main CPI in assessing recent real cost of living increases.

13 Economic and Social Research Institute, Estimating the cost of Irish housing for the CPI: A rental equivalence approach, Working Paper 676, September 2020

Figure 3: ESRI Rental Equivalence CPI (base Dec 2017)



Source: CSO Data

Indexation and Benchmarking Issues

Two potential indexation methods are analysed here – price indexation and wage growth indexation. Price indexation would involve increasing welfare rates each year based on inflation, most likely the CPI increase in the most recent previous period. Wage growth indexation would take a similar approach, using wage growth in place of price inflation, e.g., using the CSO's EHECS earnings index. The analysis presented here also includes comparison to average weekly earnings, a further derivation of wage growth indexation. This approach would involve maintaining welfare rates at a particular percentage of average weekly earnings, so that welfare rates move in line with earnings.

The ESRI's 2019 Budget Perspectives Paper: *Assessing the Distributional Impact of Budgetary Policy – The Role of Benchmarks and Indexation*[14] looks at the potential for both main types of indexation, the associated distributional impacts and net Exchequer effects. As outlined in the paper, internationally, price indexation is in place in Belgium, Canada, France, Hungary, Iceland, Italy, Korea, Poland, Turkey and USA. Wage indexation is in place in Germany, the Netherlands, Norway, Slovenia and Sweden, albeit dependent on fiscal sustainability in Germany and the Netherlands. A combination of price and wage indexation is in place in Czech Republic, Estonia, Finland, Greece, Japan, Latvia, Luxembourg, Portugal, Slovak Republic and Switzerland[15].

The ESRI research looks at the distributional impact of price indexation and wage indexation, in addition to no indexation[16]. Arbitrary rate changes (the current approach in Ireland) or price indexation, the latter to a lesser extent, increases the gap between those on lower incomes and those on higher incomes, thereby increasing inequality. Wage indexation, however, has a relatively proportionate impact on incomes across

14 Economic and Social Research Institute, Assessing the Distributional Impact of Budgetary Policy – The Role of Benchmarks and Indexation, June 2019
15 Ibid..
16 The ESRI analysis looks at indexation of the welfare and tax systems combined, not welfare in isolation.

the income spectrum. While this approach may be positive for social cohesion, as all income deciles are proportionately impacted, it would be expensive. It is estimated to cost[17] in the region of €1.23bn net, compared to a cost of €462m associated with price indexation[18].

Pensions are often treated differently to other benefits. For instance, recent 'triple lock' pensions policy in the UK guaranteed an increase each year from the highest of price inflation, earnings growth or 2.5%. However, this policy is to be suspended at present due to exceptional high earnings growth in the immediate aftermath of the Covid emergency, making such increases fiscally unsustainable[19]. In Ireland, a pensions premium is clearly evident, whereby the pension rate of payment has been higher than other core social welfare payments. Compared to Jobseeker's Benefit, the Contributory State Pension has enjoyed (or will) a premium of at least 22% each year between 2011 and 2022. Traditionally, a 34% of gross average earnings benchmark has been in place for pensions[20]. However, although the actual proportion was close to that mark at 33.4% in 2011, with accelerating wage growth in recent years and with forecast wage growth in 2022, the proportion is set to fall to 28.2% in 2022.

Looking at potential costs of wage indexation for one social benefit alone, the Contributory State Pension (personal rate only):

- Conservatively keeping main recipient numbers steady at 450,000 (as per 2020 numbers)
- Applying the 2022 wage inflation forecast of 4.9% to the 2021 rate of €248.30
- The increase of €12.17 (new rate of €260.47) x 450,000 recipients x 52 weeks
- Results in an additional annual cost of circa €285m.
- For context, one option for raising a similar amount on the tax side would involve increasing the 0.5% USC rate by one percentage point to 1.5%, raising an additional €287m in tax revenue[21]. Effectively, every worker would pay an extra €120 a year (€2.31 a week) in USC to cover the cost of Contributory State Pension wage indexation.

17 Economic and Social Research Institute, *Tax and Welfare Policy: Indexation and Benchmarks for Distributional Impact*, Presentation June 2019
18 Both approaches assume price indexation of indirect taxes, leading to an Exchequer gain of circa €38m and are based on 2019 prices.
19 BBC News, *Pensions: What is the triple lock and why has it been 'suspended'?*, 7th September 2021, accessed 30th November 2021
20 *Report of the Commission on Pensions*, October 2021
21 Parliamentary Budget Office, *Pre-Budget 2022 Ready Reckoner*, October 2021

Measure Definitions

Nominal / Actual: Actual rates of social welfare payments.

Real / Actual: Actual rates of social welfare payments, adjusted for inflation (base 2011), i.e., the real value of the payment in a given year, compared to 2011 prices in this instance. During periods of inflation, no change in the social welfare rates leads to a fall in the real value of the rate.

Nominal / Price Indexed[22]: Rates of social welfare payments required to keep pace with inflation (base 2011), i.e., the rate required in a given year to maintain the 2011 rate in this instance, based on price inflation. Price indexed rates would maintain purchasing power over time.

Nominal / Wage Indexed: Rates of social welfare payments required to keep pace with wage growth (base 2011), i.e., the rate required in a given year to maintain the 2011 rate in this instance, based on wage inflation. Wage inflation is an important consideration as welfare rates not keeping pace with wage growth increases the gap between those in employment in the upper income brackets and those reliant on welfare payments in the lower income brackets, thus increasing inequality. However, as described above, in periods of high wage growth, this is the most expensive option.

22 The price indexed and wage indexed measures are described as nominal in the sense that they are both the actual amounts that would have been required to keep pace with price and wage inflation respectively.

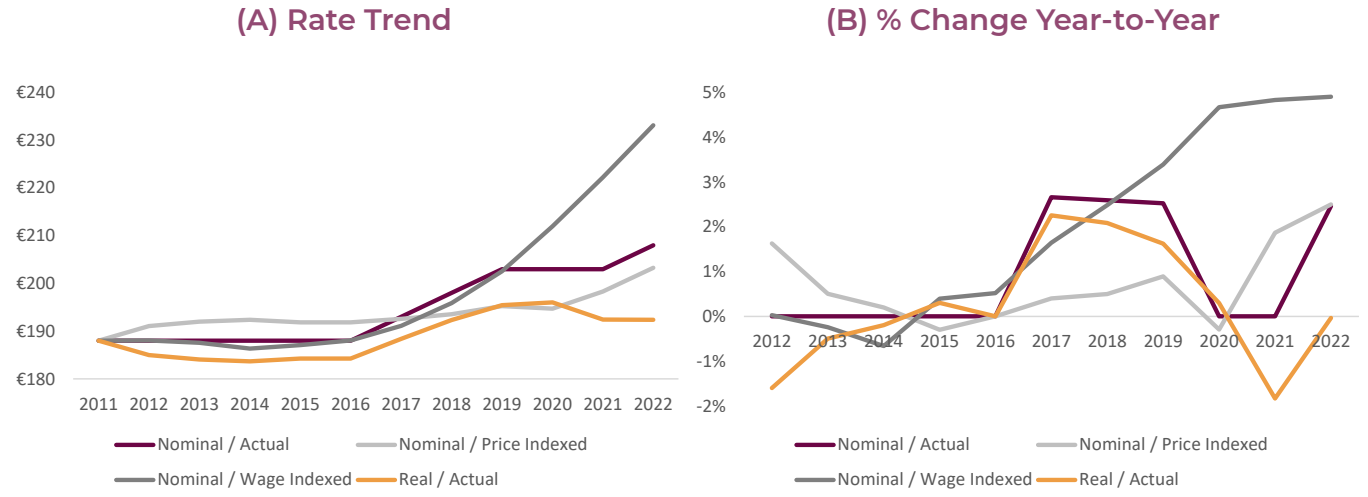
Analysis of Social Welfare Rates 2011 - 2022

The interactive data visualisation should be used in conjunction with the analysis below for a comprehensive overview of all rate changes; available here. Map data available here.

Flat increases across benefits result in disproportionate rate changes and fail to account for either price or wage inflation in a consistent manner. Jobseeker's Benefit will have increased 10.6% in nominal terms between 2011 and 2022, but the real increase is substantially less over that period at 2.3% - accounting for inflation and the 2022 inflation forecast. Likewise, the Contributory State Pension will have increased 10% between 2011 and 2022 in nominal terms, but only 1.7% when inflation adjusted. Lower value payments such as the Living Alone Allowance and the Island Allowance will have increased proportionately more than others over the period 2011-2022, even in real terms (164.2% and 45.6% respectively). The analysis below looks at four key benefits in more depth.

Jobseeker's Benefit

Figure 4: Jobseeker's Benefit, Trend 2011 - 2022

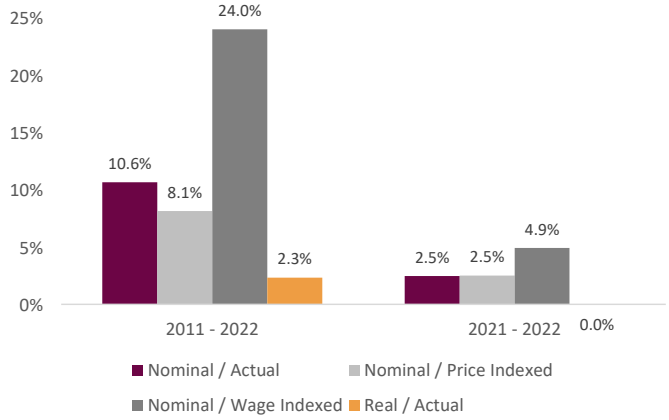


Source: Author's analysis of Social Protection and CSO data

Following no increases between 2011 and 2016, Jobseeker's Benefit increased from €188 to €203 between 2017 and 2019 and following two years of no increases to 2021, will increase to €208 in 2022. However, in the absence of increases in many years over the period, the real rate in 2022 will be €192.36 (2011 base). For the rate to stay in line with wage growth over the period and maintain the 2011 rate, the rate in 2022 would need to be €233.10. Wage growth has accelerated significantly more than price inflation, and the nominal increases in Jobseeker's Benefit.

Jobseeker's Benefit will increase by 2.5% in 2022. As the rate of inflation is forecast to be 2.5% in 2022, there will be no change in the real rate for recipients. The real rate will actually decrease overall in 2021 as the rate is unchanged but inflation, so far, is at 1.9%. The rate of Jobseeker's Benefit is substantially below the rate required to keep pace with growth in wages - wage growth was 3.4% in 2019, 4.7% in 2020, 4.8% so far in 2021 and is forecast to be 4.9% in 2022.

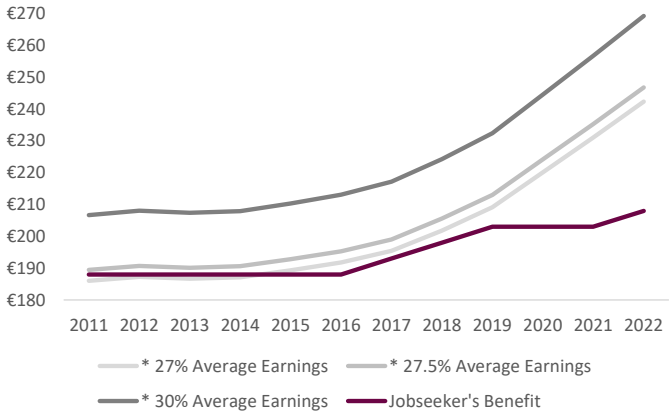
Figure 5: Jobseeker's Benefit, % Change 2011-2022 & 2021-2022



Source: Author's analysis of Social Protection and CSO data

Jobseeker's Benefit will have increased 10.6% in nominal terms between 2011 and 2022, but the real increase is substantially less over that period at 2.3% - accounting for inflation and the 2022 inflation forecast. Although the rate change over the period is larger than inflation (8.1% over the period in total), it is substantially behind wage growth (24% over the period in total).

Figure 6: Jobseeker's Benefit, Comparison to Average Weekly Earnings



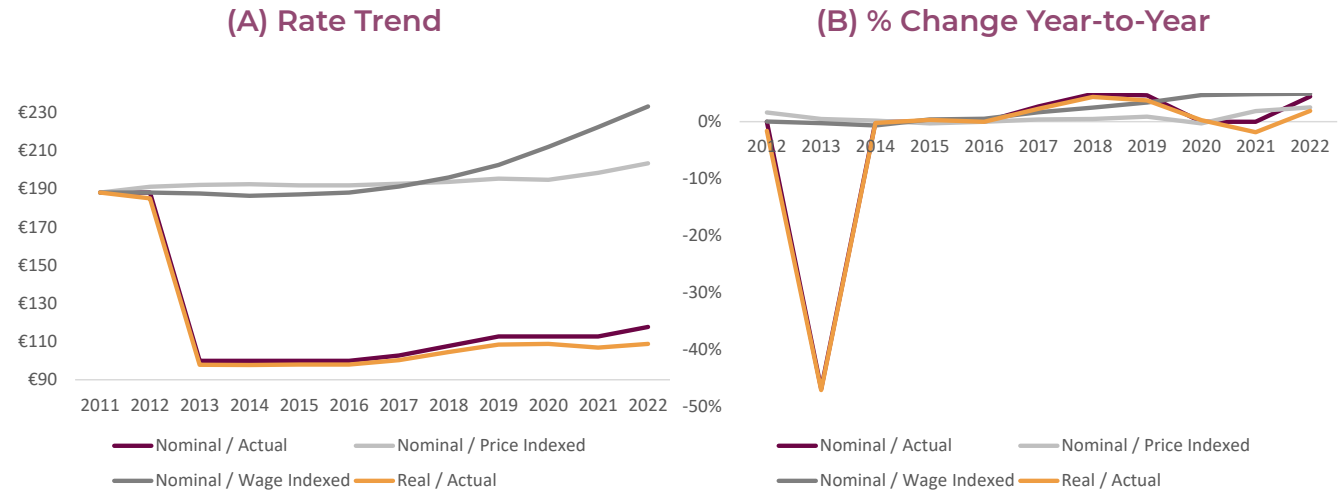
Source: Author's analysis of Social Protection and CSO data

Jobseeker's Benefit kept pace with 27% of average earnings from 2011 - 2015, with little earnings growth over this period. Although there were rate increases from 2016 - 2019, average earnings increases were larger and the absence of rate increases between 2019 - 2021 has widened the gap. Benefit rates have been substantially lower than 30% of average earnings over the period.

Using 27%, 27.5% and 30% of average earnings as potential benchmarks to maintain living standards at a reasonable level and keep poverty rates in check, Jobseeker's Benefit rates have only reached this threshold between 2011 and 2014 when compared to 27% of average weekly earnings. By 2022, based on an earnings growth forecast of 4.9%, Jobseeker's Benefit will be 86% of 27% average earnings, 84% of 27.5% average earnings and 77% of 30% average earnings. The decline has been most evident since 2019, when earnings growth accelerated.

Jobseeker's Allowance for those Under 25 and not Living Independently

Figure 7: Jobseeker's Allowance Under 25, Trend 2011 - 2022

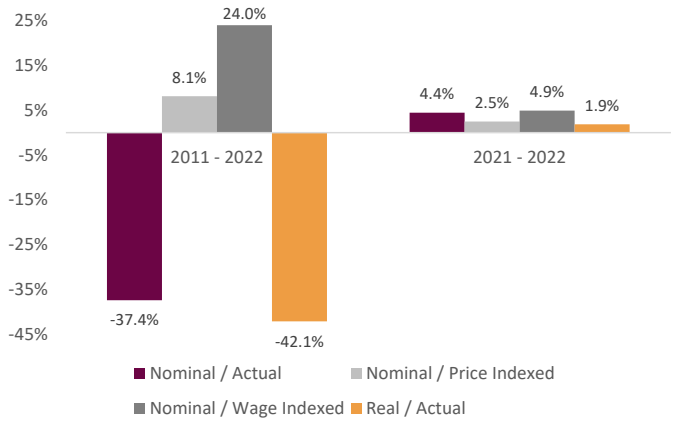


Source: Author's analysis of Social Protection and CSO data

Following recession expenditure cuts, Jobseeker's Allowance for those under 25 (and more recently defined as those under 25 not living independently) was reduced from €188 to €100 in 2013. A number of small increases since 2017, including €5 for next year, will see the rate at €117.70 in 2022. However, the real rate in 2022 will be €108.85 (2011 base). For Jobseeker's Allowance rates for those under 25 to stay in line with the 2011 rate and based on inflation, the rate in 2022 would need to be €203.29. To stay in line with wage growth, the rate in 2022 would need to be €233.10.

Jobseeker's Allowance for those under 25 not living independently will rise 4.4% in 2022, which is significantly above the annual rate of inflation, forecast to be 2.5%, leading to a potential real rise of 1.9%, albeit still below the rate of wage growth forecast in 2022 (4.9%). However, this is in the context of a dramatic decrease in the rate in 2013 - a fall of circa 47%. Rate increases since then have only fractionally offset that decrease, although staying at or above price inflation in most years since.

Figure 8: Jobseeker's Allowance Under 25, % Change 2011-2022 & 2021-2022

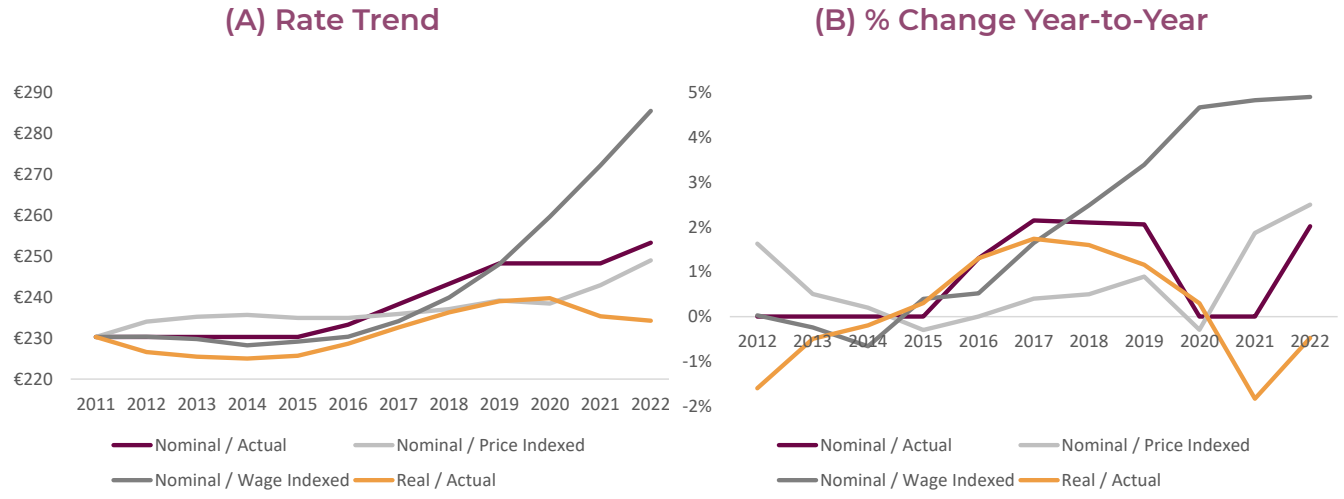


Source: Author's analysis of Social Protection and CSO data

Jobseeker's Allowance for those under 25 will have decreased 37.4% in nominal terms between 2011 and 2022, but the real decrease is even larger over that period at 42.1% - accounting for inflation and the 2022 inflation forecast. The percentage change for Jobseeker's Allowance for those under 25 is actually larger in 2022 than for other core benefits as the flat €5 increase has also been applied – an example of the disproportionate effect of flat nominal increases.

Contributory State Pension

Figure 9: Contributory State Pension, Trend 2011 - 2022

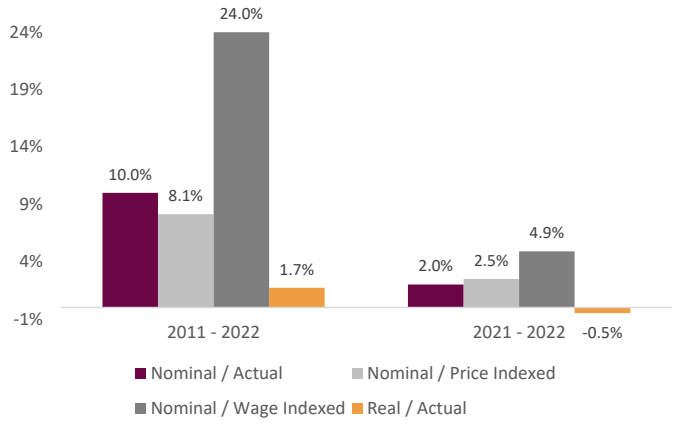


Source: Author's analysis of Social Protection and CSO data

The Contributory State Pension rate was flat at €230.30 between 2011 and 2015, resulting in a decrease in real terms from €230.30 in 2011 to €225.71 in 2015 (2011 base). This was followed by four consecutive years of increases between 2016 and 2019, to €248.30 in 2019. After 2 years of no increases, the rate will increase to €253.30 in 2022. The real rate in 2022, based on 2011 as a base, will be €234.25. Overall, rate increases have outstripped inflation over the period, but are considerably behind wage growth - a rate of €285.54 would be needed in 2022 to stay in line with wage growth and maintain the 2011 rate.

The Contributory State Pension will increase by 2% in 2022, below the forecast rate of inflation of 2.5%, resulting in a real rate decrease of 0.5%, and substantially below the forecast rate of wage growth of 4.9%. The rate of increase stayed above the rate of inflation between 2015 and 2020 (through increase or deflation), but no rate change in 2021 will lead to a real decrease, based on inflation so far this year. As is the case for most benefits, wage growth has been significantly higher than rate increases in the past 4 years.

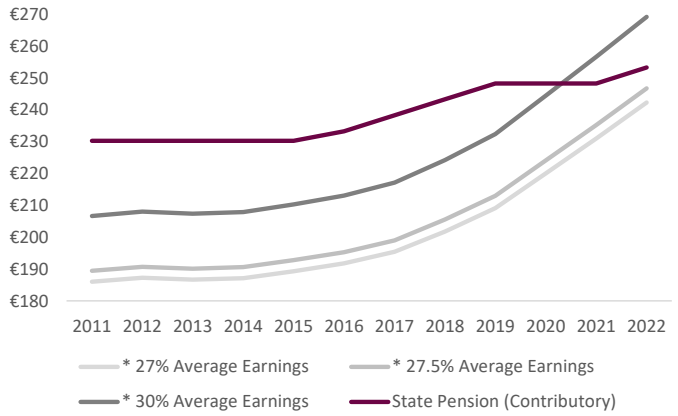
Figure 10: Contributory State Pension, % Change 2011-2022 & 2021-2022



Source: Author's analysis of Social Protection and CSO data

The Contributory State Pension will have increased 10% between 2011 and 2022 in nominal terms, but only 1.7% when inflation adjusted. Although the rate change over the period is larger than inflation (8.1% over the period in total), it is substantially behind wage growth (24% over the period in total).

Figure 11: Contributory State Pension, Comparison to Average Weekly Earnings

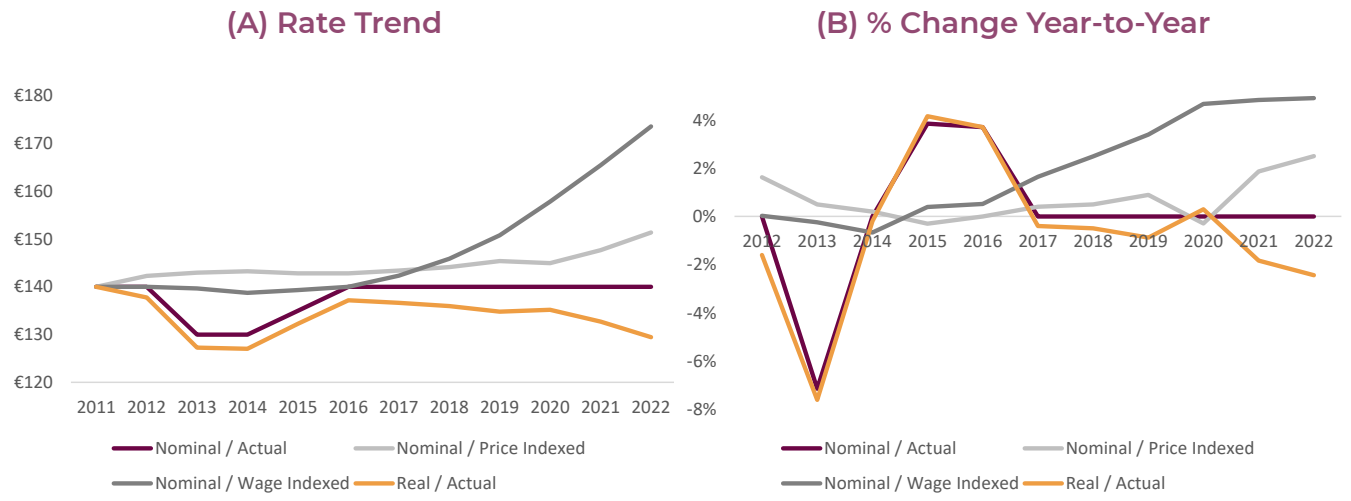


Source: Author's analysis of Social Protection and CSO data

The Contributory State Pension was consistently higher than 27%, 27.5% and 30% of average earnings between 2011 and 2020. However, the gap narrowed substantially in 2020 as earnings growth accelerated and the rate is actually lower than 30% of average earnings in 2021 and 2022 (based on 2022 earnings forecast), albeit still higher than both 27% and 27.5% of average earnings. High levels of earnings growth recently, combined with static pension rates, have widened the income gap between workers and retired people reliant on the State Pension.

Child Benefit for the 1st and 2nd Child

Figure 12: Child Benefit 1st and 2nd Child, Trend 2011 - 2022

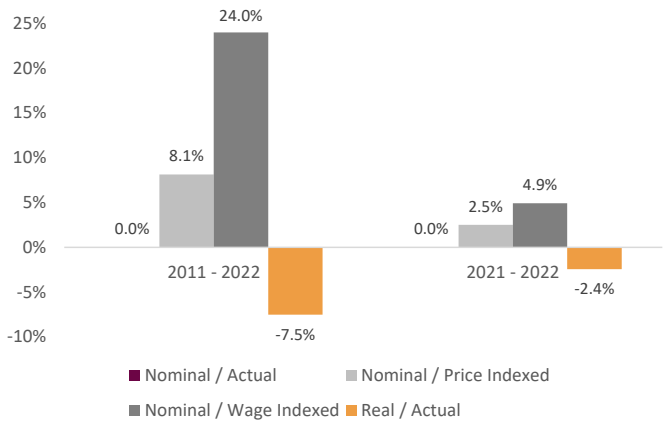


Source: Author's analysis of Social Protection and CSO data

Child Benefit for the 1st and 2nd child returned to the monthly rate of €140 in 2016 after 3 years of lower rates in 2013-2015. In real terms, this means the 2022 rate of €140 will be €129.47 (2011 base). Child benefit has not kept pace with either inflation or wage growth. With 2011 as a base, the rate in 2022 would need to be €151.38 to stay in line with inflation over the period and would need to be €173.58 to stay in line with wage growth. This divergence from price and wage growth is most evident in 2021 and 2022, with the flat rate losing ground compared to the accelerating inflation and wage growth.

The rate of Child Benefit for the 1st and 2nd child will remain unchanged in 2022 - the last increase was in 2016. Therefore, the real rate will decrease 2.4% in 2022, based on forecast inflation of 2.5%. The rate has fallen in real terms in 5 of the most recent 6 years, when including the 2022 forecast data. The rate has been significantly below wage growth since 2017, and will lose further ground against that measure in 2022, with wage growth forecast at 4.9%.

Figure 13: Child Benefit 1st and 2nd Child, % Change 2011-2022 & 2021-2022



Source: Author's analysis of Social Protection and CSO data

Child Benefit for the 1st and 2nd child will remain unchanged between 2011 and 2022, in nominal terms, which equates to a 7.5% decrease in real terms. There will be a 2.4% decrease in the real rate in 2022 alone, based on forecast inflation, due to the static nominal rate[23].

Summary

Social welfare rates have, in general, kept pace with inflation over the past decade. However, recent increases in inflation and forecasts for next year may result in a drop in the purchasing power for welfare recipients. Current broad inflation estimates may also be underestimating the cost of living increases for sub-sections of the population, in particular those in self-funded private rented accommodation. Given recent accelerating wage growth, welfare rate increases are substantially behind wage growth at present. This may result in increased inequality across the income spectrum as those at the upper end in employment experience larger proportionate increases in their income than those reliant on welfare payments. This accelerating wage growth may also result in the Contributory State Pension rate falling below the 30% of average earnings threshold for the first time over the period in 2021/2022. Wage indexation would involve a substantial cost to the Exchequer – the ESRI have estimated the cost of indexation of the tax and welfare systems combined, in 2019 prices, to be €1.23bn.

23 Since Child Benefit is a universal support, rate increases are costly to the Exchequer in comparison to most other benefits. The Department of Social Protection estimate the cost of a €1 increase to be €14.7m annually. Of the other main benefits, only a €1 increase in the Contributory State Pension would cost more annually.

Summary Table

Table 1: % Changes for 4 Key Benefits Between Selected Years

Benefit	Measure	% Change from		
		2011 - 2022	2017 - 2022	2021 - 2022
Jobseeker's Benefit	Nominal / Actual	10.6%	7.8%	2.5%
	Nominal / Price Indexed	8.1%	5.6%	2.5%
	Nominal / Wage Indexed	24.0%	22.0%	4.9%
	Real / Actual	2.3%	2.1%	0.0%
Jobseeker's Allowance - aged under 25, not living independently	Nominal / Actual	-37.4%	14.6%	4.4%
	Nominal / Price Indexed	8.1%	5.6%	2.5%
	Nominal / Wage Indexed	24.0%	22.0%	4.9%
	Real / Actual	-42.1%	8.6%	1.9%
State Pension (Contributory)	Nominal / Actual	10.0%	6.3%	2.0%
	Nominal / Price Indexed	8.1%	5.6%	2.5%
	Nominal / Wage Indexed	24.0%	22.0%	4.9%
	Real / Actual	1.7%	0.7%	-0.5%
Child Benefit - 1st and 2nd child (monthly)	Nominal / Actual	0.0%	0.0%	0.0%
	Nominal / Price Indexed	8.1%	5.6%	2.5%
	Nominal / Wage Indexed	24.0%	22.0%	4.9%
	Real / Actual	-7.5%	-5.3%	-2.4%

Source: Author's analysis of Social Protection and CSO data
Rate changes for all core benefits are included in the accompanying data visualisation