

## SSGT Policy on the Living Wage: Living Wage Employer & Living Wage Friendly Funder

SSGT agreed a policy on the Living Wage at a meeting of its trustees on 18<sup>th</sup> June 2020. The policy identifies the organisation as a Living Wage Employer and a Living Wage Friendly Funder. There are three strands to this policy which is adapted from the UK-based campaign by Citizens UK – [Becoming a Living Wage Friendly Funder](#). There is no similar campaign in Ireland.

The Living Wage Friendly Funder Commitment outline three principles which SSGT has incorporated into its work practices:

**Principle 1:** Become a Living Wage Employer – the SSGT Staff Handbook includes the following line: *SSGT is a Living Wage Employer and commits to paying at least the Living Wage to all employees.* All SSGT staff are currently paid above the Living Wage.

**Principle 2:** Pay the Living Wage to grant funded posts or be demonstrably working towards paying this over a period of time. The SSGT Grantmaking Policy includes the following paragraph:

*SSGT is a Living Wage Employer and Living Wage Friendly funder and a question on the Living Wage will be included in grant application forms to ensure potential grantees are aware of the policy. SSGT commits to paying the Living Wage to grant funded posts unless there are particular reasons for this not to happen (these might include difficulties in maintaining differentials, and the impact on other posts within the grantee's workforce). The focus will be on the organisation demonstrably working towards the Living Wage over a period of time.*

All new grant programmes will include the following note on application forms:

*SSGT is a Living Wage Employer and a Living Wage Friendly Funder. This means that we have committed to encouraging and supporting those we fund to become Living Wage Employers. The Living Wage is set each year by the [Living Wage Technical Group](#) (ROI) and the [Living Wage Foundation](#) (NI) and is enough to cover the basic cost of living. In 2020 the ROI Living Wage is €12.30 and is £9.30 in the north of Ireland. It can change each year. Being or working towards becoming a Living Wage Employer is not a condition of our funding and we will consider your application on its merits but our policy is to advocate for fair wages in employment. We commit to paying the Living Wage for grant-funded posts unless there are particular reasons for this not to happen (these might include difficulties in maintaining differentials, and the impact on other posts within the grantee's workforce). The focus will be on the organisation demonstrably working towards the Living Wage over a period of time. time.*

**Principle 3:** Support grantees to become Living Wage Employers. We will support grantees to become a Living Wage Employer through the advocacy set out in our grant criteria, signposting them to the Living Wage Technical Group or Living Wage Foundation and committing to paying the Living Wage for funded posts. We will also promote the concept of a Living Wage Friendly Funder through our philanthropy networks and by highlighting it on our website and promotional materials.

**What is a Living Wage and who determines it?<sup>1</sup>**

It is a wage which makes possible a minimum acceptable standard of living and is:

- based on the concept that work should provide an adequate income to enable individuals to afford a socially acceptable standard of living;
- the average gross salary which will enable full time employed adults (without dependents) across Ireland to afford a socially acceptable standard of living;
- a living wage which provides for needs not wants;
- an evidence based rate of pay which is grounded in social consensus and is derived from Consensual Budget Standards research which establishes the cost of a Minimum Essential Standard of Living (MESL) in Ireland today;
- unlike the National Minimum Wage which is not based on the cost of living.

The MESL is based on the actual price of a detailed basket of over 2,000 items which research has established as essential for enabling a socially acceptable minimum standard of living. The categories include: food, clothing, housing, health, education, transportation and social/recreational. The final weekly expenditure figure is the cost of all the goods and services broken down over the lifespan of each item.

In 2019, the Living Wage in the Republic of Ireland was calculated as €12.30ph by the Living Wage Technical Group<sup>2</sup> based on research conducted by the Vincentian Partnership for Social Justice (VPSJ). The VPSJ is a partnership between four national organisations: The Society of St Vincent de Paul; The Daughters of Charity; The Vincentian Congregation and The Congregation of the Holy Faith. The annual review of the rate has been deferred to September 2020.

The Living Wage for Northern Ireland is determined by the [Living Wage Foundation](#) which has one rate for London and another for the rest of the UK. The rate for NI is £9.30 (July 2020).

**The difference between the National Minimum Wage and the Living Wage**

National Minimum Wage	Living Wage
A rate which is set by policy makers	A rate which is based on evidence and research
Is arbitrarily determined, and does not reflect the cost of a standard of living	Benchmarked against the cost of minimum standard of living
Does not change as living costs change	Updated each year to reflect changes in the cost of a Minimum Essential Standard of Living

The 2020 Programme for Government gave the following commitment in the Social Protection section: *“We will.... progress to a living wage over the lifetime of the Government”*.

*Orla O’Neill, Executive Director, St Stephen’s Green Trust, orla@ssgt.ie*

<sup>1</sup> Guidance material taken from [www.livingwage.ie](http://www.livingwage.ie)

<sup>2</sup> Members are: Dr Micheál Collins, School of Social Policy, Social Work and Social Justice, UCD; Dr Sean Healy, Social Justice Ireland; Dr Tricia Keilthy, Society of St. Vincent de Paul; Dr Bernadette Mac Mahon D.C., Vincentian Partnership for Social Justice; Ciarán Nugent, Nevin Economic Research Institute; Dr Robert Sweeney, TASC; Michael Taft, SIPTU; Robert Thornton, Vincentian Partnership for Social Justice