

## **Inflation Pay Gap**

In light of the current cost-of-living environment, the ASTI is highlighting the gap between inflation and pay progression since the commencement of the Building Momentum Pay Agreement in 2021.

For the purposes of this analysis, the “inflation gap” is defined as the difference between cumulative consumer price inflation and cumulative pay increases over the same period.

Inflation has been measured using the CSO Consumer Price Index (CPI) Calculator (<https://visual.cso.ie/?body=entity/cpicalculator>), using January 2021, the commencement of the Building Momentum agreement as the base month, and April 2026 as the end point. This yields a cumulative inflation increase of approximately 27%.

For a teacher on the pre-2011 pay scale, the pay adjustments over the same period are as follows:

### **Building Momentum Agreement**

- 1% October 2021
- 1% October 2022
- 1% Sectoral bargaining (not yet finalised and therefore excluded from this calculation)

### **Extension of Building Momentum**

- 3% February 2022
- 2% March 2023
- 1.5% October 2023

### **Public Service Pay Agreement 2024–2026**

- 2.25% January 2024
- 1% June 2024
- 1% October 2024
- 2% March 2025
- 1% August 2025
- 1% September 2025 - Local Bargaining increase (not yet finalised and therefore excluded from this calculation)
- 1% February 2026

The total cumulative nominal increase from these adjustments is 16.75% when added arithmetically. However, because each increase is applied on top of the revised salary base, the correct cumulative effect is calculated on a compounded basis. On this basis, the total pay increase over the period is approximately 18%.

Accordingly, comparing cumulative inflation (approximately 27%) with cumulative pay progression (approximately 18%) indicates a divergence of approximately 9 percentage points over the period January 2021 to April 2026. This difference reflects the cumulative gap between consumer price inflation and pay adjustments over the period, excluding the sectoral bargaining element of 1% and local bargaining element of 1%.