

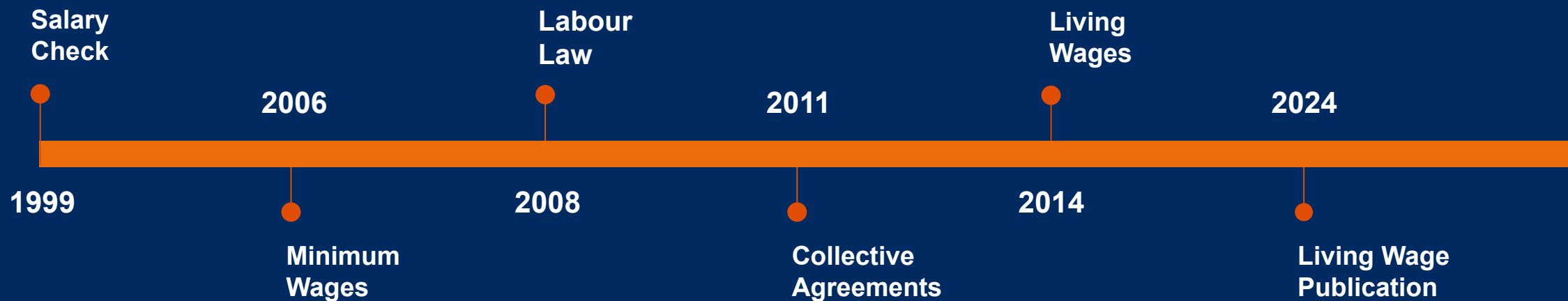
Understanding Living Wages and Adequate (Minimum) Wages

● • WageIndicator

Collect, Share, Compare. Aware.

About WageIndicator

Enabling labour market transparency for 25 years



Currently we have databases
on

Living
Wages



Labour
Laws



Actual
Wages



Collective
Agreements

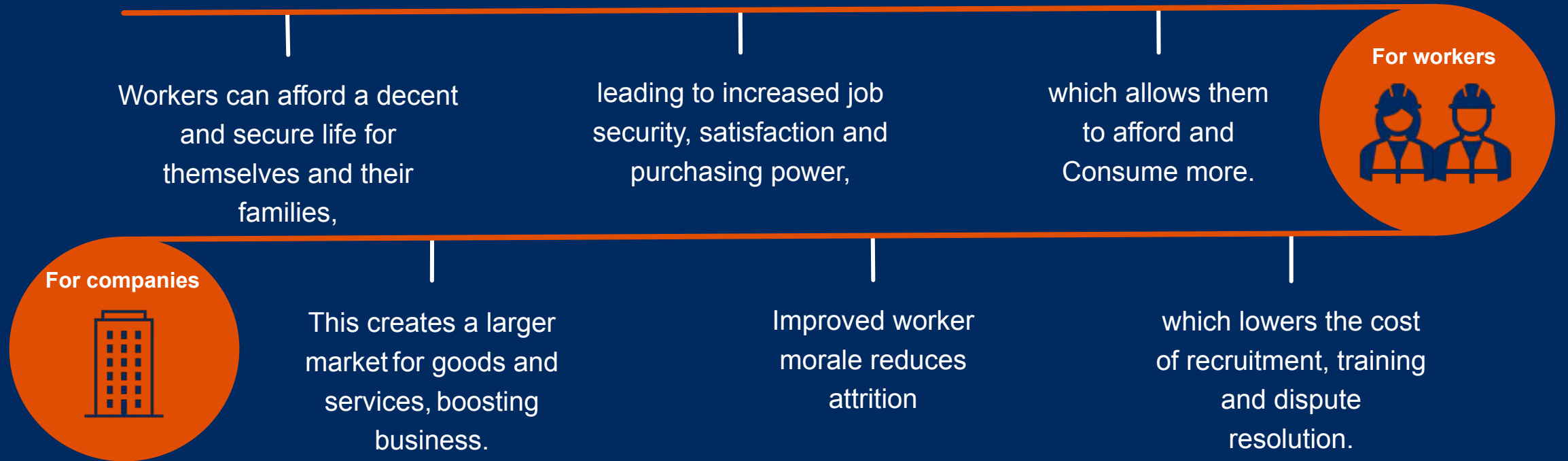


Minimum
Wages



Why Living Wages?

They support informed wage negotiations and are the linking pin for multiple SDGs



WageIndicator's Living Wage estimates

Our estimates are detailed, locally relevant, and up-to-date

WageIndicator calculates Living Wages for

Standard Families

2 earning adults
2 children

One works 100%
of permissible
hours, the other
other works 80%
of permissible
hours

Typical Families

2 earning adults
No. of children is
determined by
national
fertility rate

One works 100% of
permissible hours,
while the other's
hours are based
on national
employment rate

Estimates are based on 10 baskets of goods and services

Food



Water



Transport



Clothing



Healthcare



Housing and energy



Education



Phone and internet



Taxes



Emergency expenses



We calculate our estimates based on cost-of-living data collected
by ~300 data collectors worldwide on a quarterly basis

Understanding Adequate Minimum Wages

What does the 'EU Directive on Adequate Minimum Wages mean?

It's Goal

To reduce working poverty and inequality, by establishing a framework to improve the adequacy of Statutory Minimum Wages and enhance effective access of workers to minimum wage protection, including through collective bargaining.

How ?

Promotes collective
bargaining

Does not prescribe a single
EU threshold

Establishes “double decency
threshold”

What is the “double decency threshold”?

No one's wages should fall below 60% of median wages and 50% of average wages.
Note: this threshold doesn't necessarily mean that a worker and their family can afford a specific basket of goods and services.

A 4-step process to estimate Adequate (Minimum) Wages, relevant for the EU. Outside EU focus on MW/LW . Two directives one activity.

Step 1

Check the statutory Minimum Wage in the country, if it exists, in WageIndicator's Minimum Wage Database

Step 2

In case no statutory Minimum Wage exists, check the lowest negotiated wage in our Collective Agreements Database

Step 3

Check the Adequate Minimum Wage and Living Wage estimates as per WageIndicator's data. Where the Living Wage is higher, use that as a benchmark

Step 4

If the Adequate Minimum Wage (50/60) estimates are higher than the Living Wage estimates, focus on those . Adequate Minimum Wage estimates are national-level only, Living Wage estimates are region-specific. Anticipate Minimum Wage will go up in the EU.

Useful links

WageIndicator Living Wage methodology:

<https://wageindicator.org/about/publications/2023/guzi-m-amanquarnor-n-a-ceccon-d-kah-anec-m-osse-p-tijdens-k-g-2023-living-wages-and-living-income-worldwide-update-november-2023-amsterdam-wageindicator-foundation>

Access to the Living Wage database for companies:

<https://wageindicator.org/salary/living-wage/database-access>

Cases

<https://wageindicator.org/salary/living-wage/faq-living-wage/living-wage-experience-within-companies-cases>

Adequate (Minimum) Wages

<https://wageindicator.org/salary/living-wage/faq-living-wage/adequate-minimum-wages-eu-directive-eu-wage-data>