WageIndicator

The Advantage of Paying a Living Wage

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Collect, Share, Compare. Aware.

WageIndicator journey

A timeline of our databases

Salary Check

Started in The Netherlands, now in 75 countries

Labour Law

Started in Mozambique now in 145 countries; + a Labour Rights Index

Living Wages

Started with a model in 100 countries. Now 400 on-the-ground data collectors do the job in 175 countries.

| 1999 | 2006 | 2008 | 2011 | 2014 | 2024 |

Minimum Wages

Started in Paraguay, India and now in 2008 countries

Collective Agreements

Started in Sub Saharan Africa, now in 75 countries

Living Wages Publication

Supported by a group of big firms, costly Living Wage data can be shared with trade unions, workers, small firms

Our Living wage database

WageIndicator has continuously improved the calculations, coverage, and scope of its Living Wage database to ensure easy access to up-to-date estimates

WageIndicator calculates its estimates based on cost-of-living data collected by ~400 data collectors worldwide. Each quarter fresh data! No drama with inflation, the data will show the prices.

Currently there are Living Wage estimates for 175 countries, covering 3000 regions. Available for sale, as well as partly publicly available on our websites.

Living Wages are connected with other databases on:

Labour Laws	Actual Wages	CBA's	Minimum Wages

WageIndicator Method

How do we calculate Living Wage estimates?
(and Living Income, Living Tariff)

As of October 2024, child care and private car cost are added as new components. These are **not included** in the basic basket of goods but as add-ons.

WAGEINDICATOR CALCULATES LIVING WAGES FOR

Typical* Families
in a range

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

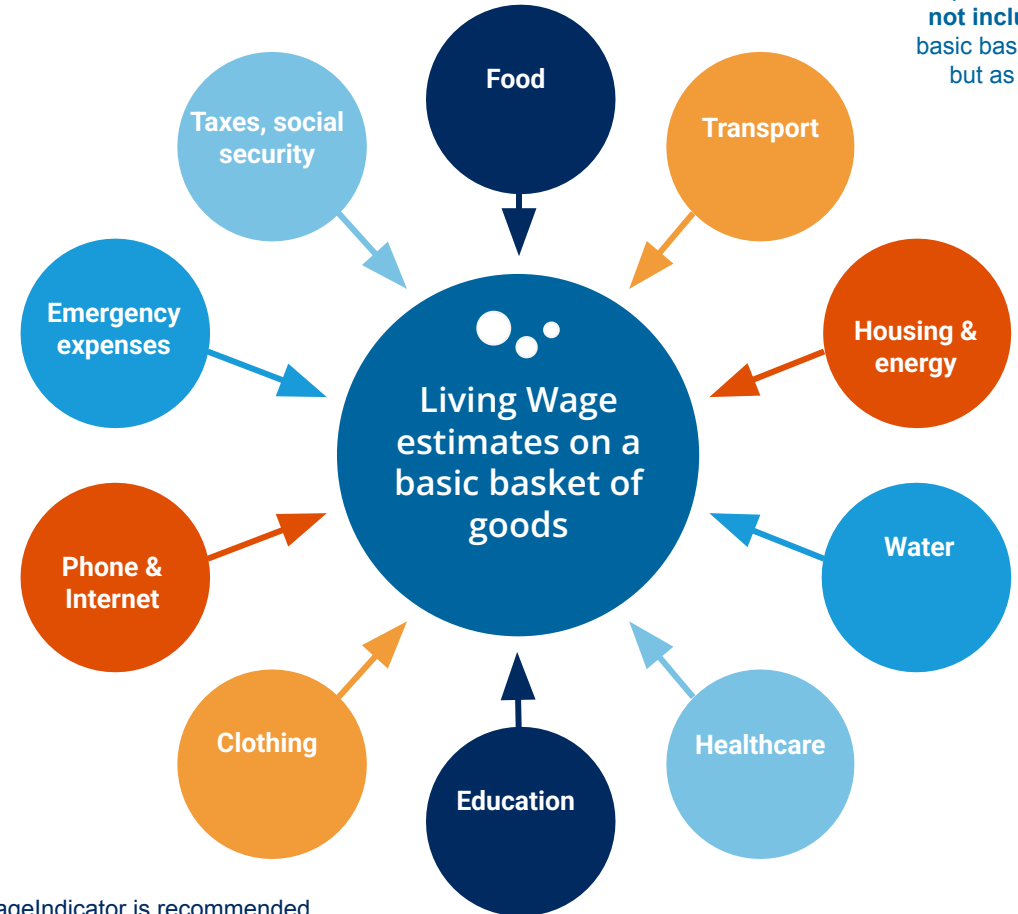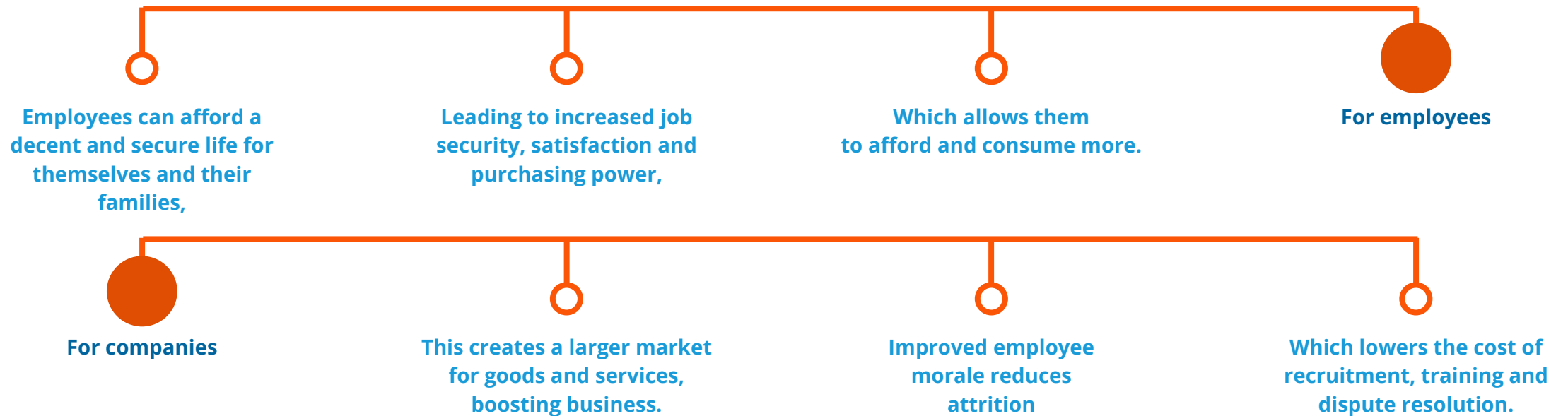*Lower Bound is seen as the global baseline*

One works 100% of permissible hours, other's hours are based on the national labour participation rate, unemployment rate and part-time work rate

We also calculate for standard families

Single Income Earner for a Family **in a range**

1 earning adult. No. of children is determined by national fertility rate

Lower Bound is seen as the best from a Human Rights perspective

Taxes, social security

Food

Transport

Emergency expenses

Housing & energy

Living Wage estimates on a basic basket of goods

Water

Phone & Internet

Clothing

Education

Healthcare

WageIndicator is recommended by a.o. IDH, B-Corp, European Sustainability Reporting Standards

How do Living Wage payments benefit employers, and the economy?

It enables labour market transparency, allowing employers and employees to make informed decisions *

(in this presentation we talk about employees, not self employed. WageIndicator developed a Living Tariff for self employed)

Employees can afford a decent and secure life for themselves and their families,

Leading to increased job security, satisfaction and purchasing power,

Which allows them to afford and consume more.

For employees

For companies

This creates a larger market for goods and services, boosting business.

Improved employee morale reduces attrition

Which lowers the cost of recruitment, training and dispute resolution.

Living Wage payment is also central to the achievement of multiple SDGs

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

WageIndicator's work with companies

WageIndicator provides data to the largest **multinationals** in the world**.** It delivers access to data for free to many **small firms , SMEs. On top to trade unions, researchers,** and **journalists.** All these parties need **credible, reliable, regularly** updated **living wage estimates** for reporting and compliance with legislation. Many multinationals are **frontrunners** moving beyond the **race to the bottom** by starting implementation in their **supply chains**.

WageIndicator services:

Data access

Access to Living Wage database with ongoing support for data interpretation and informed decision-making.

Expert guidance & policy support

Support with wage gap analysis, salary data collection, policy development, and supplier engagement in supply chains.

Full gap analysis and support

Wage gap analysis, compliance assessment, and tailored recommendations for companies and suppliers.

In most parts of the world, Minimum Wages do not cover the cost of living, therefore Living Wages are needed.

When WageIndicator compares salaries and Living Wage estimates, it assumes that adequate wages are the same as the Living Wage estimates. The type of Living Wage depends on the lowest wage level. This applies for the world. For adequate wage reporting perfection, you may check in Europe lowest CBA wages, and average and/or median paid wage.

How to check and report on adequate wages smart and simple, year on year. It serves you, your company, your auditor and the new regulations.

	A		B	C	D	E
	Compare with Minimum Wage **and comply**	Compare column B, C, D, E with lowest Basic Wage of the company and show distance	Compare with 'Typical Families' Living Wage - lower bound	Compare with 'Typical Families' Living Wage - higher bound	Compare with 'Single-income earner' - lower bound	Compare with 'Single-income earner' - higher bound
Togo	52 500	xxxxx	228 310	296 442	374 213	540 331
Australia	3 968	xxxxx	2 055	2 613	3 750	4 872
Austria	1 500	xxxxx	1 115	1 556	1 947	2 686
Switzerland	3 375	xxxxx	2 076	2 493	3 545	4 262

*Wages by month expressed in local currencies, October 2024

How to start paying a Living Wage?

Experience and tips from the field

Tip 1

Check if you can afford it for all relevant locations. In some companies Living Wage compliance may require millions in others as little as 10 000, to make the whole firm Living Wage compliant!

Tip 2

If you know the cost of implementing a Living Wage you can make a plan for the coming 3 till 5 years and then continue double check, year on year.

Tip 3

See the challenge as a nice puzzle
- Include cost analysis and communication in your plan.
- Include: Human Rights, Compensation & Benefit, Procurement, Sustainability department and don't forget Leadership, Trade Union(s) and Works Council

It is a no brainer but prioritize straightforward countries and regions where salaries already align closely with the Living Wage. And then focus on more complex locations.

Tip 4

Invite country teams to come with ideas to close the bigger gaps. Search for positive business cases - in and outside the company - to get everybody on board also in these locations where the gap might be big. See it as an issue which has to be solved.

Tip 5

Conduct the Living Wage process in-house. Rationale: most of the expertise about improving wages exists within your organisation.

Think about:
- the yearly update of Minimum Wages
- the salary structure tool where you can include your data
- Negotiations with Trade Union(s)

Tip 7

You work on Living Wages, since you hope your employees will have a decent standard of living. Do the process together not once, but year-on-year with your:
Employees, Families, (Local) governments, and the groups mentioned in Tip 3.

Tip 8

Systematic reporting - Document each step you take, including the reasoning behind them. E.g. why chosen to focus on Europe and Latin America, Why focus on typical family Living Wages, Why a role for Trade Union negotiations. Etc etc Even if external reporting isn't required, maintaining a systematic internal record is invaluable. It enables you to monitor and steer progress on Living Wages, the Gender Pay Gap, and Inequality year after year.

Tip 6

Be smart and pragmatic. Aim for a Living Wage-compliant organisation soon, whether that means 1, 2, or 3 years. Recognize that "soon" may sometimes mean reaching 95% or 105% compliance, as Living Wage benchmarks are not static and will evolve. Avoid rigidly fixating on immediate, absolute compliance at 100%. Aggressive style will not help in this case.

Want to know more?

Get in touch:

helpdesk@wageindicator.org

- **FAQ-method:**
  https://wageindicator.org/salary/living-wage/faq-living-wage
- **Available data around the world:**
  https://wageindicator.org/salary/living-wage/list-of-country-region-living-wages-data-availability
- **Publicly available estimates:**
  https://wageindicator.org/salary/living-wage/workers-trade-unions
- **Minimum wage/Living Wage:**
  https://wageindicator.org/salary/minimum-wage/minimum-wages-higher-than-living-wages-by-country-and-by-region
- **Adequate Wages**
  https://wageindicator.org/salary/living-wage/faq-living-wage/adequate-wages-recommender
  Company experiences
  https://wageindicator.org/salary/living-wage/faq-living-wage/living-wage-experience-wthin-companies-cases