Addressing living income and living wages
What is the difference?

Which context are you working in?

Living Income
- Self-employed farmers

Living Wage
- Hired workers

What is the benchmark?

Living Income Benchmark
- The Living Income Benchmark is equivalent to the cost of living for a family.

Cost of a decent standard of living for a family
- (Specific to a time and place)

Living Wage Benchmark
- The Living Wage Benchmark uses the cost of living, but also accounts for contributions of other wage earners, as well as taxes and deductions.

How to measure the gap

Actual Income
- To measure the Living Income Gap, compare the living income benchmark with farmers’ actual income (earned by all adult household members from their own farming enterprise, as well as all other income sources).

Living Income Gap
- Actual Income
  - Living Income Benchmark
  - Other income (non-farm, non-labor)
  - Net off-farm labor income
  - Net farm income
  - Produce consumed at home

Use the Income Measurement Survey to measure actual income of farmers.

Income Measurement Survey

Actual Remuneration
- To measure the Living Wage Gap, compare the living wage benchmark with the actual remuneration (earned by one worker during a standard work week and includes wages, bonuses and in-kind benefits).

Living Wage Gap
- Actual Remuneration
  - Living Wage Benchmark
  - In-kind benefits
  - Bonuses
  - Wages

Use the Salary Matrix to measure actual remuneration at a factory or plantation.

Salary Matrix Tool

How to close the gap

Living Income
- Once gaps are identified, you can take action through a smart-mix of solutions that include delivering bundled services to farmers, adopting better procurement practices, collaborating with and beyond your trade partners, innovating through brand and consumer engagement, and embracing transparency.

Contact us to learn more about our work on Living Income.

Ashlee Tuttleman

Living Wage
- Once gaps are identified, you can take action by adopting better procurement and trading practices, embracing transparency, co-developing and implementing practical solutions, supporting social dialogue and ensuring that value created reaches workers and—when needed—making it collaborative.

Learn more about these actions.

Contact us to learn more about our work on Living Wage.

Carla Romeu Dalmau