

Living Wage Benchmark Series

NewForesight Living Wage Benchmark Methodology (NLB)

How does the methodology meet the IDH criteria

[Check our website for more information](#)

- 1. Collecting data**
Data collected on site by local consultants for the relevant geographic area of the study through structured Cost of Living and Food Price surveys. When needed, secondary data is used for verification purposes.
- 2. Cost of living of a typical family**
Family size based on household size, fertility rate and child mortality. Data obtained from the Global Data Labs (GDL) database. It is assumed that the Reference Household size consists of 2 adults and their children. No additional adults.
- 3. Items of cost of living**
Housing costs equivalent of renting and paying utility for a house that meets local decent housing standards. Food costs for a low-cost nutritious model diet that is in line with local food availability and preferences. Other essential needs including education, healthcare, transportation, clothing etc. An additional 5% of the total of the other three categories to account for unexpected events.
- 4. Working adults**
Number of full-time equivalent workers in typical family determined by labour force participation rates, unemployment rates, and part-time employment rates in the region.
- 5. Sufficient net wage**
Secondary data collected from governmental sources regarding taxation rules in the country and mandatory payroll deductions and income tax added to the net living wage to get the (gross) living wage.
- 6. Differences in context**
Living Wage Benchmarks are specific to a geographical focus and are context specific. Three zones have been defined: city (urban), peri-urban, and rural. Data is collected from households and markets that are fairly representative to the defined area.
- 7. Conflict of interest**
No conflict of interests identified.
- 8. Transparency**
Methodology available on the NewForesight website. Benchmarks funded by public or publicly funded institutions freely publicly available.
- 9. Inflation estimation**
NewForesight updates Benchmark estimates annually by adjusting for inflation.

What is NewForesight?

NewForesight is a strategy consulting firm that drives the transition to a sustainable economy. We believe that this can be managed and is filled with business opportunities. Organizations can benefit from these opportunities if they understand the transition and use the power of markets and collaboration in the right way. NewForesight helps organizations to realize their business opportunities. The result? They become a winner and set their whole market in motion.

The NewForesight benchmark methodology closely follows the principles of the Anker Methodology and relies in proprietary semi-automated tools and methods for a resource-efficient yet accurate estimation.

[Read more](#)

Example

Cost of basic but decent life for reference household in peri-urban Mbale, Uganda
363 USD/reference household size of 2 adults, 4.7 children, and 1.5 full time employees

Find out if there is a benchmark in your region

[Check our website](#)

Methodology approach

- Survey**

Household surveys for cost of rent, utilities, health care, education, and transport. Market surveys for local food prices
- Data Collectors**

Face to face and phone interview data collection including visits to households, shops and markets.
- Model-based**

Not based on model. Based on primary and secondary data.
- Specificity**

City (urban), peri-urban, and rural.
- Publishing Data**

Benchmarks funded by public, publicly funded institutions or private partners. Publicly available and updated annually.