WageIndicator Typical Family

What is the WageIndicator Foundation?

Established in 2000, the global, not-for-profit WageIndicator Foundation aims for improved labour market transparency for workers, trade unions, employers, policymakers, and academics worldwide. WageIndicator collects, analyses, and shares data on Wages and Salaries, Minimum Wages, Living Wages, Living Income and Living Tariff, Labour Law, Collective Agreements, the Gig Economy and Platform Work and the Future of Work, including AI. This information is accessible in 75+ national languages across and for 208 countries and territories. WageIndicator's data and databases are used for academic research, social dialogues and (wage) negotiations, policy development, advocacy campaigns, reporting requirements and implementation of the SDGs. WageIndicator works closely with renowned universities and scholars who co-create WageIndicator's methodologies, as well as with trade unions and employers' associations worldwide. The WageIndicator team of 75 specialists from across the world is supported by a network of over 400 data collectors globally. Data to estimate Living Wages is collected continuously through face-to-face and sometimes online surveys. Estimates include a low and a high range; the former can be considered as a stepping stone, and ultimately wages should be above the later. Besides the publicly available data, WageIndicator also provides tailored and more complex datasets at a cost to sustain its operations. Beyond the Typical Family Methodology which meets IDH's twelve criteria for recognition, WageIndicator also calculates Standard Family and Single-Income Earner estimates.

Number of estimates[1]:   2887 regional data from 166 countries

Availability of estimates: Publicly available for free

WageIndicator

Access to the public estimates	Access to the methodology	Contact

How does the methodology meet the IDH criteria?

	Criterion	Narrative text from organisation
1	**Collecting data:** the living wage estimation organisation shall estimate the living wage based on data collected through field level research, online surveys (excluding those that are solely based on self-selected respondents), national statistics and/or modelling (modelling not accepted as a sole form).	WageIndicator estimates Living Wages based on data collected quarterly through its cost-of-living survey, covering 175 countries (May 2025). Data is primarily gathered through field research, conducted by trained WageIndicator data collectors and personnel who are locals and hence fluent in local languages. In approximately 70% of the countries, this involves in-person data collection in local shops and markets for food prices, as well as face-to-face interviews with randomly selected inhabitants for housing, transport, education and other costs. In the remaining countries WageIndicator deploys a mixed-method approach, combining field research (face-to-face surveys) with online data collection, or exclusively collecting data from webshops and other sources online (see chapter 3.4.1. in Guzi et al. (2024) for specificities). Web scraping is not used, except experimentally in Hungary and Slovakia. Only 1% of the datapoints are provided by self-selected respondents. The price data obtained from self-selected respondents is never used as the sole basis for estimates, but rather integrated with the other data sources to support the overall estimate. Additionally, WageIndicator does not use national statistical data as a data source for prices, as such data often has significant time lags and aggregated price categories that do not align with WageIndicator's focus on up-to-date, region-specific information. National statistical data is used only as part of quality assurance to clean and (cross-)check the price data collected by WageIndicator. Modelling based solely on inflation rates or other estimations is not employed in WageIndicator's methodology. This is due to inflation rates often being economy-wide measures and not reflecting region-specific price variations; furthermore, many statistical offices do not provide monthly, current inflation rates, which can lag considerably. WageIndicator's data remains, at most, one quarter behind the current date to ensure relevance and accuracy in its Living Wages estimates.
2	**Cost of living of a typical family:** The living wage estimation organisation shall measure the cost of living of a typical family in a region. A typical family in a region means that the size of a family	WageIndicator's Living Wage estimates measure the cost of living for a typical family in a region, with family size determined by national fertility rates. A typical family is assumed to include two adults, reflecting common household structures, with both adults contributing to the household income. National labour

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	is estimated based on regional (or national) data through family size data or total-fertility data.	participation rate, unemployment rate and part-time employment rate are used to localize this assumption, with one adult working full-time (100%) and the other working between 50% and 80%, depending on the country's employment rate. To account for potential price fluctuations, WageIndicator presents the cost of living within a defined range, using the 25th and 50th percentiles as lower and higher bounds, respectively. This enables WageIndicator to reflect a realistic, regionally adapted family structure and labour participation scenario while providing a balanced view of cost-of-living estimates. WageIndicator's lower bound is considered the baseline for Typical Family living wage calculations.
3	**Items of cost of living:** The living wage estimation organisations shall transparently itemize the living expenses included in the calculation of the living wage estimations based on requirements listed in the COICOP 2018. Typical expense categories include the following but other items might be added based on local contexts: - Nutritious food - Clothing and footwear - Housing (including rental costs, maintenance and furnishing) - Healthcare - Transportation - Information and communication - Recreation, sport and culture - Education services - Restaurants and accommodation services - Insurance and financial services - Personal care and other gender aspects (e.g. sanitary products) - Care (child+elder)* - Other - A small margin for unexpected events The living wage estimation organisations shall provide an explanation on why they do not certain rubrics, for example, childcare.	WageIndicator transparently itemizes the living expenses included in its Living Wage estimate calculations, aligning closely with the COICOP 2018 requirements. The following expense categories are included: - Nutritious food: Yes - Clothing and footwear: Yes - Housing (including rental costs, maintenance, furnishing, utilities, and energy): Yes - Healthcare: Yes - Transportation: Yes - Information and communication: Yes - Recreation, sport, and culture: Planned inclusion starting 2025, pending data collection. - Education services: Yes - Restaurants and accommodation services: Planned inclusion starting 2025, pending data collection. - Insurance and financial services: Yes - Personal care and other gender aspects (e.g., sanitary products): Yes - Care (child and elder): Currently includes only childcare, with future plans to expand to other forms of care by 2025. - Other: Yes, including a small margin for unexpected events. In summary, all relevant categories are included in the current calculation, with costs for recreation, sport, culture, restaurants, and full care expenses expected to be provided from 2025 as data collection progresses. WageIndicator is considering adding restaurants and accommodation services - which it notes as a larger box of "social participation" - and "care" costs to its basket of goods as 'add-ons'. This is an ongoing development and will take a few years to take effect because of the data collection and evolving methodological choices.
4	**Working adults:** The living wage estimation organisation shall factor in the expected number of working adults in a family by dividing the total cost of living by 1+ the employment rate. Additionally, a living wage that factors in for a single earner by dividing the total cost of living by 1 to represent the single earner in a typical size family is also accepted.	WageIndicator's Living Wage estimate accounts for the expected number of working adults in a family by providing estimates based on two scenarios: 1. Typical Family: WageIndicator calculates the living wage by assuming two working adults, with total living costs divided by 1 + {Average Adult Labour Participation Rate × (1 – Unemployment Rate) × (1 – [Part-Time Employment Rate÷2])}. This approach considers a family size based on national fertility rates. 2. Single Income Earner: In addition to the typical family scenario, WageIndicator offers an estimate for a Single Income Earner, where one adult is assumed to earn a living wage sufficient for the entire family's needs. These two approaches allow WageIndicator to represent both dual-income and single-income family scenarios within the Living Wage calculation.
5	**Sufficient net income:** The living wage estimation organisation shall provide the gross living wage estimate, which is the gross pay required to ensure sufficient net take home pay to cover for the cost of living. This is necessary because net living wage would not account for statutory deductions from pay (such as income taxes, social security taxes, and union fees) which will reduce the take home pay and money available for day-to-day expenses.	WageIndicator provides a gross Living Wage estimate, designed to ensure sufficient net take-home pay to cover the cost of living. This estimate transparently includes the amounts allocated to categories such as food, housing, and transport, as well as statutory deductions for employee-paid taxes and social security contributions. These deductions are included as they impact the worker's take-home pay and thus their available income for day-to-day expenses. However, the employer's portion of taxes and social security contributions is not included in the Living Wage estimate, as it does not affect the worker's income directly.
6	**Differences in context:** The living wage estimation organisation shall assure that estimates are city/region-specific or at least	WageIndicator's Living Wage estimates are localized by country and region, with sub-national estimates provided for 175 countries. As of May 2025, this includes

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	account for urban and rural differences. For countries above a certain size (e.g. Australia, Argentina, Brazil, Canada, China, India, Russia, USA): - Living wage estimation organisations shall indicate whether subnational estimates are provided or not, and if the location for which the subnational estimates applies are based on governmental/sub-governmental delimitation (e.g. when the estimate applies to a specific sub-national province). - Living wage estimation organisations shall provide guidance on how to proceed when there are not subnational estimates or there is no estimate available for a given region (e.g. suggest that they use the national estimate, or a neighbouring region estimate).	3,000 regions, with further granularity in regions calculated with urban, peri-urban, rural and super-rural data. Regional breakdowns align with governmental or administrative boundaries, commonly defined as states, provinces, or similar sub-national entities. WageIndicator recommends using the regional estimates and provides the urban/rural estimates only for comparative purposes. For larger countries, such as India and China, WageIndicator has more granular estimates at the division and prefecture level respectively, to reflect inter-state variations in cost of living. When regional data is unavailable -typically in smaller countries with populations under 10 million- the national estimate can be used. Currently, only three countries (Cabo Verde, Iraq, Sudan) are provided with country-level estimates alone. Normally WageIndicator recommends using the so-called 'Guidance estimate' from the previous year, but in cases where the country experiences well-known high inflation and price volatility, the latest quarter is recommended. In cases where quarterly updates are not feasible due to cost or external disruptions, such as natural disasters, WageIndicator may recommend using estimates from a previous quarter to ensure continuity.
7	**Conflict of Interest:** The living wage estimation organisation must have no inherent conflicts of interests. Methodologies must have sufficient distance from funding sources to maintain integrity. In addition, individual estimations results must not be influenced by the funding source. Organisations who have other activities that can be perceived as a conflict of interest, such as auditing and certifying companies that use these estimations, need to publicly disclose what are the systems that have been implemented to avoid such conflicts.	WageIndicator operates as an independent foundation, without any conflicts of interest in its living wage methodology and data collection. The foundation does not engage in auditing or certifying companies on their use of WageIndicator's living wage estimates, maintaining a strict separation between data provision and certification activities. If companies require certification, WageIndicator directs them to qualified third-party auditors or certifiers, as it believes that combining data provision with certification would compromise integrity. WageIndicator's living wage data collection and calculations remain free from influence by social partners, funding sources, or clients. The foundation collaborates with various funders, such as the Laudes Foundation and GIZ; however, contractual safeguards ensure that neither funders nor clients have any influence over WageIndicator's methodology, including the basket of goods, data collection processes, or calculations. Additionally, WageIndicator has partnerships with companies, NGOs and other organizations, yet these stakeholders do not interact with WageIndicator's Living Wage data operations, preserving the independence of the process. WageIndicator's Living Wage methodology is co-curated by researchers from over six universities and research institutes, including Central European Labour Studies Institute (CELSI), Central European University, Masarysk University and FLAME University. Assurance reports on WageIndicator's operations and adherence to its principles are provided annually. Living Wage estimates are publicly available on WageIndicator's website.
8	**Transparency:** The living wage estimation organisation shall publish a clear and consistent step-by-step methodology for data collection, the data sources used and calculation elements, including a description of each step of the data collection, the calculation formulas used and a breakdown of the different components of the living wage estimation (see criterion 3).	WageIndicator ensures transparency by publishing an annual update of its Living Wage report and FAQs (see links above), providing a detailed, step-by-step overview of the methodology. The report and FAQ outline each component of the Living Wage estimate, including data collection methods, data sources, calculation formulas, and the specific items included in the basket of goods. Additionally, they describe the assumptions underlying the methodology and the process of calculating the estimates. These reports are publicly accessible on the WageIndicator website and are also available in languages other than English, ensuring that all stakeholders can review the methodology in full detail.
9	**Update of estimates:** If there is no on the ground data collection research every year, the living wage estimation organisation shall at least adjust their estimates according to inflation every year. Further adjustments beyond inflation, through a full on the ground study, should take place as frequent as possible. Living wage estimation organisations are encouraged to do so as much as their resources allow and no longer than every 5 to 10 years (considering local circumstances). Living wage estimation organisations shall provide justification on the frequency of their full	WageIndicator conducts quarterly updates of its Living Wage estimates through ongoing data collection, as outlined in the 'Collecting Data' section. Additionally, WageIndicator publishes an annual Guidance Living Wage estimate every October 1, based on the average of the latest four (or three, depending on availability) quarters of cost-of-living data. This Guidance Living Wage is considered the most stable and reliable estimate. The annual Guidance estimate is calculated by comparing the previous year's Guidance estimate with the new Yearly Average. To ensure smooth year-over-year adjustments, when calculating the Guidance, WageIndicator applies caps to changes: increases are limited to 5% plus the inflation rate, and decreases are capped at -3%. This approach minimizes sharp fluctuations in the Living Wage estimate, ensuring a more stable benchmark.

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	studies and why they are not conducted within the ideal timeframe (e.g. financial or capacity limitations).	In a limited number of countries, the Living Wage is calculated using cost-of-living data from the latest eight to twelve quarters. For these countries, older data is adjusted for inflation to maintain accuracy.
10	**Collection date and applicability:** The living wage estimation organisation shall explicitly mention the date of the data collection for each category separately and to explicitly mention the period for which the estimate is applicable.	WageIndicator provides clear information on the timing, location, and method of data collection for each category in its Living Wage estimates. In all published data as well as in the Living Wage data provided to clients, the release date of the estimate and thus the collection period are specified. Details on the timing and process of data collection are further explained in the annual report and FAQ, both publicly available. WageIndicator follows a consistent quarterly cycle, with four rounds of data collection and four corresponding releases per year. Each release is published six weeks after the most recent data collection, ensuring timely updates and clear applicability periods for all estimates. This also ensures a reliable and predictable data delivery schedule to those who use the Living Wage data in their assessments, gap analysis, policies or negotiations.
11	**Local stakeholder participation:** The living wage estimation organisation shall specify when estimates were developed by, or in direct partnership with, local independent research institutions and labour representatives and were subject to local stakeholders' consultation. Methodologies to describe how they consult local stakeholders.	All WageIndicator Living Wage estimates are calculated using its global methodology and based on WageIndicator data collection of prices every three months of the year. This regular cadence is essential to capture price fluctuations, such as those driven by (hyper)inflation, climate change impacts, and conditions in conflict zones. Data collection is carried out independently by WageIndicator, without involvement from external stakeholders in either the data collection or calculation process. Once collected and calculated, WageIndicators Living Wage estimates are publicly available for all users, and are open to public scrutiny. By default, WageIndicator refers to their Living Wages as "estimates", as WageIndicator does not engage in wage-setting practices. WageIndicator supports the notion of 'a living wage is a negotiated wage'. The process of setting a wage at a living wage estimate level should take place through bi- or tripartite social dialogue and/or collective bargaining by social partners. WageIndicator's Living Wage estimates can serve as a starting point for such negotiations, with negotiators free to adapt the estimates by adding costs or items as they see fit. For the continuous improvement of its methodology, WageIndicator works with and consults local, national and international stakeholders. These include local data collectors, trade union partners, researchers, research institutes and universities, employer associations, companies, policy makers and international organisations such as the ILO. These consultations lead to a robust, reliable yet independent methodology. Across the world, social partners, companies and policy makers make use of WageIndicator estimates to set Living Wage policies, assess and calculate wage gaps or use Living Wages estimates in wage negotiations. As WageIndicator estimates are applied by many different stakeholders in various contexts, WageIndicator receives regular feedback that it uses to improve its data collection or calculations. Where relevant for the local context, WageIndicator also (co-) organises or facilitates open consultation sessions to discuss the estimates and WageIndicator's methodology. In doing so, WageIndicator aims to be a trusted, transparent and open Living Wage estimate provider and a constructive partner in stakeholder dialogue, where needed and deemed relevant. Finally, WageIndicator adheres to a fixed timeline: estimates are released six weeks after each round of quarterly data collection. This ensures that the data remains up to date. Pre-publication negotiation of estimates would risk stakeholders using outdated data, undermining both relevance and trust.
12	**Quality assurance:** The living wage estimation organisation shall ensure that the methodology is verified by an independent party with no conflict of interest (based on the ILO principle, chapter 3 of the report from March 2024). The living wage estimation organisation shall describe its quality assurance process during the recognition process.	WageIndicator's Living Wage methodology undergoes an annual quality assurance conducted by an independent and qualified audit firm. This audit encompasses the entire methodology, including the basket of goods, data collection, and calculation methods. In July 2024, WageIndicator received its third consecutive assurance report from Control Union, confirming adherence to high standards of quality and independence.