



WAGEMAP

Strategy

NB: This document is subject to regular updates, which are shared on the website.

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With reference to the ISEAL Code of Good Practice clauses and principles:

- 1.1 The scheme owner is clear on what it intends to achieve and how.*
- 1.2 The scheme owner makes informed decisions about how to focus its work to maximise its potential sustainability impacts.*
- 6.2 The scheme owner seeks synergies through alignment with other standards.*
- 6.3 The scheme owner has clearly articulated what the standard aims to achieve and why it is needed.*



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1. WageMap Overview and Logic Model

About us

WageMap is a global consortium of Living Wage data and service providers driving global alignment across Living Wage methodologies and frameworks.

Our Vision

All workers receive a Living Wage.

Our Mission

Drive alignment across Living Wage methodologies and frameworks through creating a Living Wage Reference Standard, whilst strengthening implementation support and expanding the global Living Wage movement

Our Guiding Principles / Values

1. **Transparency:** Share information, actions, decisions, and decision-making processes in a clear and accessible manner to all stakeholders involved.
2. **Human Rights:** Uphold the fundamental, universal, inalienable and indivisible rights that every person is entitled to.
3. **Evidence-Based Decision Making:** Prioritize evidence-based insights in all decisions, minimizing political influences. Involve both external and internal experts to ensure a well-rounded perspective on each issue.
4. **Multiple Perspectives:** Consider multiple perspectives on any given topic or question to inform decisions. Ensure that the ultimate goal remains the guiding principle throughout the decision-making process.
5. **Adherence to Academic Standards:** Apply rigorous academic norms, such as the principle of hearing both sides (audi alteram partem), forming and revising hypotheses, and maintaining scholarly integrity.

Our establishment

WageMap was founded in 2023 by 6 founding partners



Supporting a global network of more than 300 leading companies to build a more just and sustainable world, BSR has deep expertise in building impactful multi-stakeholder collaborations and nearly twenty years supporting companies to establish living wage programs.



CRSP does the research behind the UK Living Wage Foundation's cost-of-living number. They also support research teams across the globe to engage their citizens in meaningful conversations on the true cost of living in decency.



Creates public benchmarks across the U.S. and certifies U.S. employers that pay their workers and contractors a living wage based on real costs of living. Also brings tools and approaches so that all those working toward global living wage payment can continue to advance this movement.



UK accreditation scheme for over 15,000 recognized Living Wage Employers, including over half of the FTSE 100. Now expanding its Global Affiliate Network to offer multi-country accreditation (tier 1). Convenor of local and global Living Wage movements to foster alignment, consensus, and collaboration.



Strategy consultancy firm driving transitions towards sustainable economies in over 35 sectors and 45 countries. Expertise across the full living wage & income journey from benchmarking (incl. creating local benchmarks where needed) to strategy to close gaps.



WageIndicator publishes data to equip a.o. workers, trade unions, employers, with insights for equitable decision-making and better working conditions globally. Our 300 data collectors gather quarterly cost-of-living data to calculate Living Wages, while we also maintain databases on Minimum Wages, Labour Law, and Collective Bargaining Agreements.

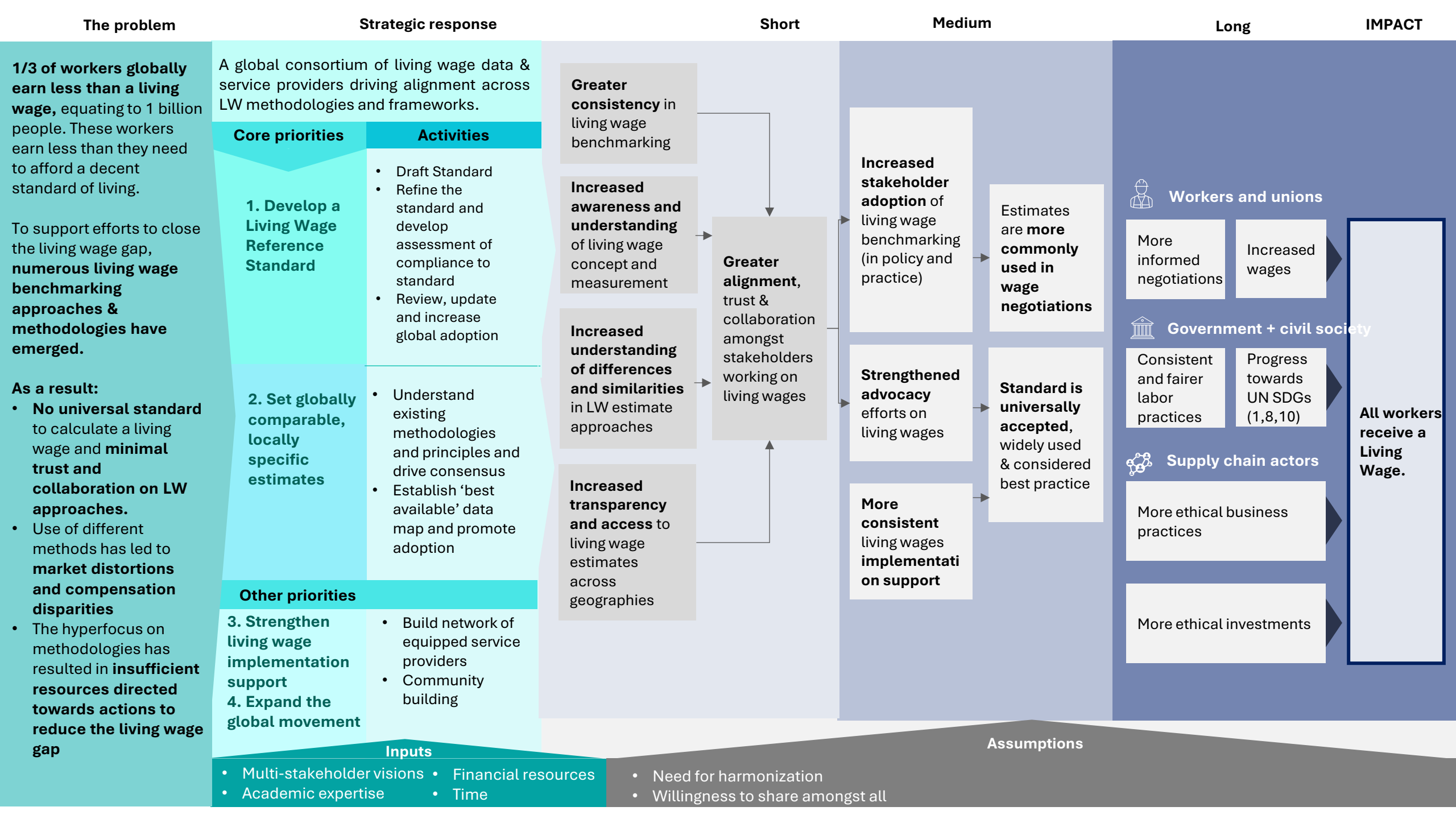
Other complementary work

In 2024, WageIndicator Foundation published their Living Wage estimates. This database currently contains data for over 168 countries and more than 2,700 regions within them, - it is the largest publicly available Living Wage database across the globe. Besides regional living wages, insights in the various components is also provided.

Other efforts by non-founding members

There are many living wage organizations that have established Living Wage methodologies and approaches to implementation with employers. The WageMap consortium aims to drive alignment while also building on leading best practices. Several contributors beyond WageMap partners include:

- ILO, recently establishing principles for living wage estimates
- Global Living Wage Coalition
- IDH Living Wage estimate Recognition process
- Anker Research Institute
- Fair Wage Network
- Asia Floor Wage Alliance
- Value Balancing Alliance
- Living Income Community of Practice
- KIT comparison study
- MIT
- Local trade union/community led initiatives



2. Background Assessment

- Context
- Background Assessment
- Alignment

Context | The Challenge of Reaching and Defining a Living Wage

The ILO denotes the concept of a 'living wage' as

“the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work”

1/3 of workers globally earn less than a living wage, equating to 1 billion people, and more than half of all small-scale farmers worldwide.

The World Economic Forum estimates that a **global living wage for all workers could generate \$4.6 trillion extra GDP per year**

Root causes and problems

- **Many workers worldwide earn less than they need to afford a decent standard of living**, including basic needs such as housing, food, education, and healthcare.
- **Root causes are a complex combination of micro and macro factors, including, but not limited to:**
 - Economic factors, such as “the requirements of economic development, levels of productivity, the desirability of acquiring and maintaining a high level of employment, economic sustainability of enterprises, industry-specific factors, macroeconomic conditions, and labor market conditions, including levels of informality”¹
 - Socio-political factors, such as gender inequality, perceptions on child labor and forced labor, social mobilization rates, and perceptions on basic needs
 - Institutional factors, such as (democratic) (in)stability or corruption
- **Persistent wage gaps increase economic inequalities, creating a cycle of poverty**, and workers who are not paid typically experience lower morale, leading to reduced productivity.

Context | Key Stakeholders Involved in Implementing Living Wage

There is growing momentum in the global living wage movement, reflected in the range of stakeholders committing to closing the gap. WageMap intends to engage the following stakeholder groups:

Workers and unions

While WageMap plays no role in wage-setting processes, our aggregated dataset of publicly available living wage estimates can be used as a tool to support data driven collective bargaining for workers and trade unions. The voice of workers and workers representation is a critical component of our Living Wage Reference Standard.

Employers and Employers' organizations

Employers can contribute to the development and testing of new tools and services for implementing and reporting on living wage, and learn how to integrate these into global reward strategies.

Businesses & Investors

Businesses and investors are increasingly adopting living wage policies as part of their social responsibility efforts, recognizing the long-term benefits for both employee well-being and brand reputation.

Governments

Governments worldwide are promoting living wages in response to advocacy. At the global level, the International Labour Organization has recognized the concept of a living wage and committed to assisting member states in closing the gap – and promote incremental progression from minimum wages to living wages.

Platforms and Multi-Stakeholder Initiatives

Platforms and Multi-Stakeholder Initiatives are uniting diverse actors from business, government, and civil society to collaboratively advance the global living wage movement, highlighting a shared commitment to equitable labor practices.

Consumers and civil society

Consumers are becoming more conscious of ethical purchasing decisions, actively supporting legislation and brands that commit to paying living wages, thereby influencing market dynamics towards fairer labor practices. Similarly, non-profits at the local and global level are driving powerful alliances and accelerating the implementation of living wages through various projects, programmes and campaigns.

Local/national organizations:

Calculation of living wage should not be a 'top-down' effort that dictates to local alliances how they should approach benchmark calculation. Living wage estimates should be informed by local experts and communities. New and growing living wage alliances should have access to reliable living wage data to make informed decisions about adjustments needed for local specificity. WageMap will seek input from local stakeholders about what 'national ownership' of living wage means to them in the context of ILO living wage principles

Context | International mandates

International mandates

Article 23 - United Nations Universal Declaration of Human Rights

Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

The International Covenant on Economic, Social and Cultural Rights

The right of everyone to the enjoyment of just and favorable conditions of work which ensure, in particular. Fair wages and equal remuneration for work of equal value.

SDGs:

- SDG 1: End Poverty
- SDG 8: Decent Work and Economic Growth
- SDG 10: Reduce inequalities.

Regional and national mandates

EU:

- Corporate Sustainability Reporting Directive (CSRD)
- Corporate Sustainability Due Diligence Directive (CSDDD)

Other:

- The German Supply Chain Act 2024
- The Norwegian Transparency Act 2023
- Australian Modern Slavery Act 2018
- United Kingdom Modern Slavery Act 2015
- French Corporate Duty of Vigilance Law 2017
- California Transparency in Supply Chain Act 2010.

Background Assessment (1/3) | Sustainability issues and risks

Sustainability issues – geographic and sectoral scope

- **Geographic scope:** the living wage reference standard will function globally, addressing living wage issues across various countries with diverse economic conditions, considering local socio-economic circumstances.
- **Sectoral scope:** the living wage reference standard will be sector agnostic - with a bigger focus on sectors where wage disparities are prevalent, focusing particularly on low-wage jobs.

Emerging Sustainability Risks

- **Under representation of Living Wage data providers within Technical Committee:** Currently there is only one *global* data provider involved in WageMap – the absence of other global data providers poses a risk to the representativeness and credibility of the Standard-setting process
- **Under representation of diverse stakeholders in the stakeholder consultation:** inadequate geographic and sectoral representation during the stakeholder consultation process for the reference standard can introduce biases, potentially resulting in a lack of local embeddedness relevance and therefore acceptance.
- **Lack of buy in from the broader Living Wage community:** Insufficient engagement and endorsement from the broader living wage community can hinder the widespread acceptance and implementation of the reference standard.

Background Assessment (2/3) | Opportunities & Unintended Negative Effects

Emerging Sustainability Opportunities

- **Improved collaboration among methodologies and service providers:** Collaboration with organizations and stakeholders to drive harmonization and adoption of living wage methods.
- **Technological advancements:** Leveraging technology for better data collection and analysis can enhance the accuracy and applicability of living wage estimates.
- **Increased global awareness** and support for living wage.

Unintended negative effects

- **Economic disparities:** Implementation of a uniform living wage standard might exacerbate economic disparities if not adapted to local conditions.
- **Market distortions:** Incorrect application of living wage estimates could lead to market distortions, affecting competition and local economies.
- **Resource allocation:** Excessive focus on developing a living wage reference standard, might divert resources from practical implementation efforts.

NB: Further definition and identification of unintended negative effects of the Living Wage Reference Standard, will be part of the public consultation rounds organized by WageMap in 2024 and 2025. In line with ISEAL Code of Good Practice, section 3.3.

Background Assessment (3/3) | Position of influence and risk mitigation

WageMap's standard is well placed to influence in the following areas:

- **Living wage methodology holders:** WageMap can drive the adoption of consistent methodologies across various stakeholders, ensuring a unified approach to calculating living wages.
- **Usage and understanding of data:** By providing clear, accessible data and analytics, WageMap can enhance the understanding and utilization of living wage data among businesses, policymakers, and other stakeholders.
- **Uniformity in guidelines:** WageMap can promote the development and adoption of uniform guidelines and estimates, reducing discrepancies and ensuring that living wage standards are applied consistently across different regions and sectors.

Where WageMap will be not involved in:

- **Wage-setting/negotiations:** WageMap will not directly engage in wage-setting or negotiation processes between employers and employees. Its role is to provide the standards and data to inform these negotiations.
- **Political advocacy:** WageMap remains neutral and will not engage in political advocacy or lobbying efforts. Its focus will be on providing an objective, living wage reference standards and guidelines to support living wage initiatives.

Gender assessment - risks:

- **Barriers to employment:** Employers may see living wage standards as a financial burden, potentially leading to reduced hiring or job cuts in female-dominated sectors.
- **Lack of flexibility:** Women are more likely to work part-time or flexible hours due to caregiving responsibilities. Standards must ensure fair compensation for these work arrangements to avoid financial disadvantages for women.

Gender assessment - unintended effects:

- **Perpetuation of inequities:** Without careful consideration, living wage standards may inadvertently perpetuate existing gender wage gaps if they do not address unequal pay for equal work.
- **Sector-specific disparities:** Women often work in lower-paid sectors like care work and retail. If the reference standard isn't tailored to these sectors, women may not benefit fully.

Alignment | The standard will align with key frameworks (1/3)

International Labour Organization (ILO)

Overview

In line with the ILO Constitution and the Philadelphia Declaration, and consistent with the spirit of the Universal Declaration of Human Rights (UDHR), the ILO denotes that the concept of the living wage is: the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work; calculated in accordance with the ILO's principles of estimating the living wage, as outlined below; and to be achieved through the wage-setting process in line with ILO principles on wage setting.

Living wage methodologies should follow a number of principles

- a) estimation of the needs of workers and their families through evidence-based methodologies;
- b) consultation with representative employers' and workers' organizations on living wage estimates and involvement of social partners throughout their development, with a view to ensuring national and/or local ownership;
- c) transparency, including details with regard to data sources and methods of processing, that are open to scrutiny, are comprehensive and replicable;
- d) robustness of the data in terms of representativeness and transparent data collection methods;
- e) timely public availability of the estimates, data and methodologies;
- f) specification on whether estimates are gross or net, namely whether items such as social security contributions are included or not;
- g) regular adjustments to consider changes in the cost of living and the patterns of consumption;
- h) quality control, including sound technical review, validation, as well as periodic review for continuous improvements;
- i) promotion of gender equality and non-discrimination;
- j) Consideration of the regional or local context and socio-economic and cultural realities.

Application

- The development of the LW Reference Standard will consider and incorporate the ILO principles of estimating a living wage and the ILO methodology to estimate the needs of workers and their families (2021)
- WageMap will aim to achieve consensus across all stakeholder groups at international and national level on calculation and implementation of living wage. This will be sustained over time through establishment of inclusive governance mechanisms
- WageMap will use its expertise around how living wage rates should be derived from cost-of-living estimates, taking into account what ILO defines as 'economic factors'
- WageMap aims to enable scalable, practical approaches to data collection that informs cost-of-living estimates
- WageMap works with a comprehensive, evidence-based approach to working alongside local communities to accurately measure the cost of essential items in the 'basket of goods'

Alignment | The standard will align with key frameworks (2/3)

Overview

ISEAL Code of Good Practice for sustainability systems sets requirements for good practice by the scheme owner who is responsible for the sustainability system or scheme.

8 Core elements

The core elements to be considered are:

1. **Strategy for enabling impact** – ensures scheme is grounded in sustainability outcomes & strategies
2. **Scheme integrity, governance and operations** – ensures scheme has good governance in place, including appropriate policies, personnel competencies and risk management.
3. **Stakeholder engagement** – recognizes the critical role stakeholders play in scheme implementation and ensures scheme owners define when and how stakeholders will be engaged.
4. **Data and information management** – framework for scheme owners to manage data holistically
5. **Scheme performance and continual improvement (MEL)** – ensures scheme owners understand how well their scheme is working, including against intended outcomes and impacts
6. **Standards development and maintenance** – good practices
7. **Assurance** – necessary components of effective assurance system, including defining models.
8. **Claims** – requirements around claims management and traceability to ensure claims made about the scheme and its results are clear, accurate and reliable.

Credibility Principles – define the core values of credible and effective sustainability systems

- Sustainability impacts
- Collaboration
- Value creation
- Measurable progress
- Stakeholder engagement
- Transparency
- Impartiality
- Reliability
- Truthfulness
- Continual improvement

Application

The development of the Living Wage Reference Standard will closely follow the ISEAL Code of Good Practice 8 Core Elements, and integrate the Credibility Principles into the process and decision-making. This means we will combine a credible, objective and transparent standard-setting process with strong, recurring engagement with multiple stakeholder groups.

Concretely, this is reflected in the current Strategy document, which incorporates our logical framework, the Terms of Reference for the Living Wage Reference Standard, and an appreciation of the place of WageMap in the wider ecosystem of living wage initiatives.

Furthermore, we will publish:

- ToR for Decision-Making on the Living Wage Reference Standard
- Dispute resolutions system
- Documents necessary for >2 public consultation rounds with stakeholder groups

Alignment | The standard will align with key frameworks (3/3)



Overview

The IDH Living Wage Benchmark Methodology Recognition Process was formulated to support companies in the selection of living wage estimates. Note that the focus of the 9 core assessment criteria is to assess the methodology and credibility related aspects, not to verify individual estimates or scrutinize calculations. The criteria provide objective criteria for the minimum elements needed by a living wage benchmark methodology to be recognized as consistent and credible.

9 Criteria are used to assess methodologies

1. **Collecting data** – estimate living wage based on data collected and representative of the location of the LW estimate
2. **Cost of living** - measure the cost of living of a typical family in a region
3. **Items of cost of living** – based on requirements for good nutrition, housing, education, healthcare, household goods, transportation and personal care etc.
4. **Conflict of interest** – no inherent conflicts of interest, methodologies must have sufficient distance from funding sources to maintain integrity. Individual estimate results must not be influenced by the funding source.
5. **Differences in context** – city/region specific or at least account for urban/rural differences
6. **Sufficient net income** – account for statutory deductions from gross income (taxes, union fees etc.)
7. **Working adults** – factor in the expected number of working adults in a family by dividing total cost of living by 1+ employment rate
8. **Transparency** – publish clear and consistent methodology for data collection & calculation elements
9. **Inflation estimation** – update estimates yearly for inflation

Application

The WageMap Living Wage Reference Standard-setting process will build on the 9 IDH criteria in its decision-making and assessment methodology.

Furthermore, a selection of the IDH Living Wage Benchmark Methodology Recognized methodologies are represented in the WageMap Consortium, including:

- Living Wage for US Monthly Methodology
- NewForesight Living Wage Benchmark Methodology
- WageIndicator Typical Family Methodology

Other existing Living Wage Benchmark Methodologies will be considered in the Standard-setting process to the extent they are applicable, transparent and available.

See: <https://www.idhsustainabletrade.com/idh-living-wage-identifier/>

Alignment | The standard will align with key governing initiatives and stakeholders



Overview: The UN Global Compact's Forward, Faster initiative identifies living wage as one of five key action areas where the private sector can collectively make the biggest impact on achieving the SDGs. Forward, Faster aims to increase accountability and transparency by calling for companies to publicly declare their commitments and highlight actions they will undertake to meet the targets. Companies committing to the targets will be required to report on progress annually to the UN Global Compact.

Target 1: 100 per cent of employees across the organization earn a living wage by 2030.

Target 2: Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.

Application

Part of WageMap's core mission is to strengthen implementation support and expand the global movement. As key decision-makers on provision of living wages across global value chains, businesses hold unique power in reducing inequality.

By building a network of equipped service providers and increasing transparency and access to living wage estimates across geographies, WageMap will help businesses meet the Forward, Faster living wage targets by 2030. We will do this by:

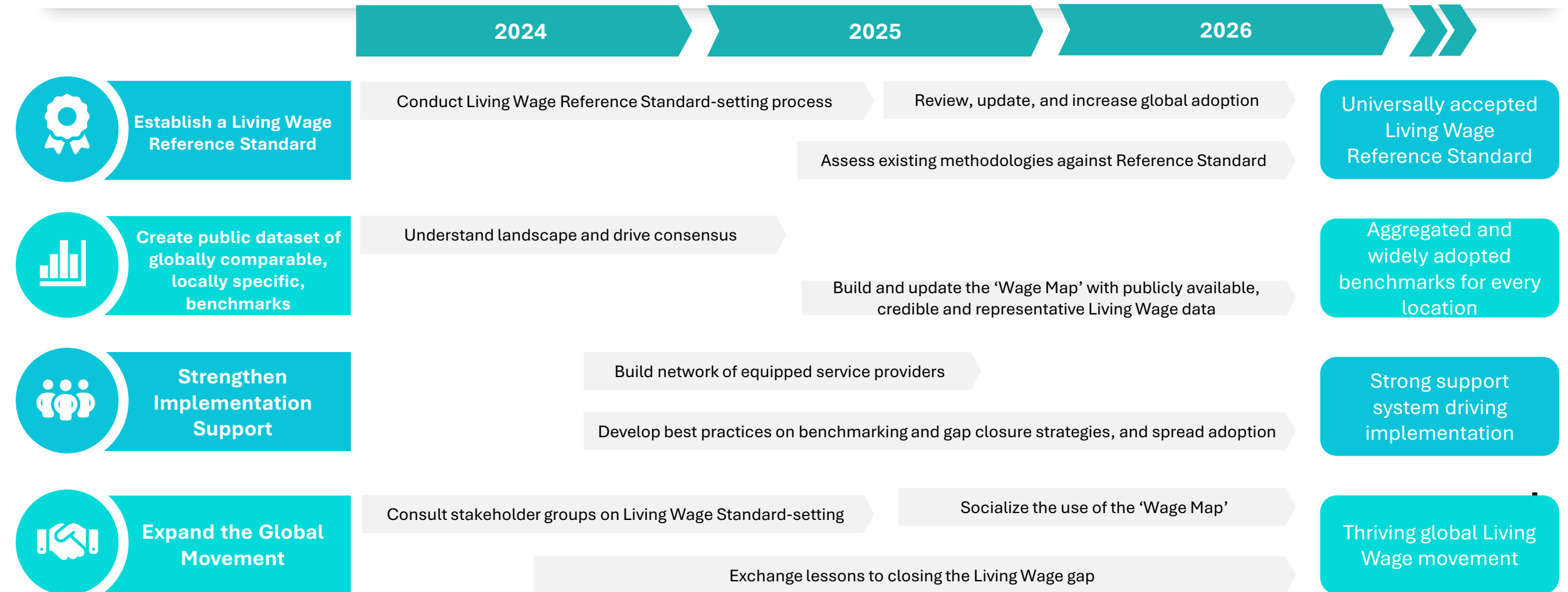
- Establishing a living wage learning platform and knowledge hub. This will focus on implementation across direct operations and supply chains, as well as providing guidance on reporting
- Promoting peer learning through development of employer champions
- Collaborating with expert service providers from across the global living wage community to support development of holistic implementation strategies.

3. Core priorities and strategic initiatives

- Overview

Strategic priorities |

Detailed tasks for each priority and initiative can be found in the project plan



Strategic priorities |

Detailed steps on Establishing a Living Wage Reference Standard

May-Sep 2024

Standard outline and comparison report

- Ensure that the contents of the standard properly reflect what is needed
- Categorizes the issues where additional research or discussion is necessary

Apr 2024-May 2025

Stakeholder engagement

- The drafts will be brought to the stakeholder group for consultation as required by the ISEAL Code of Practice
- Important stakeholders will be engaged through a series of Zoom meetings or other suitable means
- A repeated process of accepting and rejecting but publicly responding to comments will be conducted

Jun-Nov 2024

Standard drafting

- Concrete standard "straw man" will be developed by drawing upon the insights gained from the Natural Harmonization workstream
- The 'Technical Committee' will input on the draft standard and consensus will be sought on key issues during the stakeholder consultation phase

Dec 2024-Jun 2025

Second standard drafting & response to stakeholder engagement

Jun 2024-Jan 2025

Research

- Research on specific topics regarding the Living Wage Reference Standard
- Exact research topics to be determined – outcome of the Standard outline report

4. Organizational & Funding model

Organizational Model | Overview

Project governance

Steering Group

WS 1: Project Management Office (PMO)

WS 2: Brand engagement

WS 3: Living Wage Reference Standard-setting & Community

WS 4: Communication & Marketing

WageMap Community

- Launch partners
- Members
- Sponsors

- Governments
- Unions and workers' organizations
- Corporates and investors

- Platforms
- Academics and data providers
- Employers

- NGOs
- Consumers
- Civil Society
- Launch partners

Organizational Model | Stakeholders

Founding organizations



- The WageMap Consortium was initiated by IDH, the Sustainable Trade Initiative, as part of their commitment to promoting fair and sustainable labor practices in global supply chains.
- The founding organizations include data organization, not-for-profit advocacy organizations, universities, and sustainability consultancies.

Launch Partners



- A Launch Partner can be an employer, policymaker or a non-profit organization that takes proactive steps to advance the cause of living wages, both within their organizations and in the broader community or industry.
- Members provide a fixed, three-year financial commitment to enable the WageMap proposition to be put into practice.
- Current paying Launch Partners are Hershey, Mondelez, and an undisclosed partner.

Organizational Model | Stakeholders

Members



- A Member can be an employer, policymaker or a non-profit organization that is advancing on making Living Wage a reality.
- Members provide a fixed, three-year financial commitment to enable the WageMap proposition to be put into practice.
- WageMap's current paying Member is Target Corporation

Sponsors



- A Sponsor can be an employer, policymaker or a non-profit organization
- Sponsors provide a financial commitment determined on an individual basis to contribute to the WageMap activities.
- WageMap's current sponsor is ISS World

Organizational Model | Stakeholders

Steering group

BSR

WageIndicator

Loughborough
University

LW for US

LW Foundation

NewForesight

- **WageMap founding members.**
- **Accountable** for the success of the PMO
- **Approve deliverables**
- **Escalation point** in case of deviations from costs, quality, time, or scope.

Project Management Office (PMO)

Lead

Support

- **Hosted by NewForesight**
- **Responsible** for day-to-day operations, communications (website, social media, branding) and admin.
- Manages and convene Steering Committee Meetings
- **Primary point of contact** for external stakeholders
- **Escalates to the Steering Committee** in case of deviations from agreed-upon agreements regarding cost, quality, time, or scope.

Funding model

- WageMap activities funded by its Launch Partners, Members and Sponsors.
- In addition, each founding member (BSR, Living Wage Foundation UK, NewForesight, WageIndicator, Living Wage for US, Loughborough University) in-kind services.
- Funding for year 1 is used to compensate for the time spent on the following workstreams:
 1. Project Management and Coordination – 20% of funding
 2. Living Wage Reference Standard-setting process & Community Building – 71% of funding
 3. Communications & Marketing – 9% of funding
- As of September 2024, the specific budget requirements for year 2 (2025) are in the process of being defined.

5. Annexure

Terms of Reference –
Living Wage Reference Standard

Scope | Living Wage Reference Standard

The purpose of the Living Wage Reference Standard is to serve as a ‘North Star’, compelling organisations, including WageMap consortium members and other living wage data providers and implementation organisations, to continually strive for improvement in their living wage calculation methodologies. The overarching goal will be to create external confidence in living wage estimates by having a stakeholder-consulted standard, agreed upon by the consortium members, that allows users to understand international comparability and local specificity so that they can confidently implement consistent living wages around the world.

The Scope of the Living Wage Reference Standard will establish:

- **Categories of costs** to be included in calculations for living wage estimates
- Effective methods of **collecting and verifying reliable cost-of-living data**
- Harmonisation of a consistent technical utilisation of **definitions and data architecture**

As a result of the Living Wage Reference standard, WageMap aims to create:

1. **A publicly available aggregated data map** of globally comparable, locally specific, living wage estimates
2. **Guidance on how to implement Living Wage** estimates (e.g. evaluating total remuneration)

Outcomes | Living Wage Reference Standard

WageMap will **strengthen positive economic outcomes for workers by overcoming barriers related to definition and calculation of living wages**. In accordance with ILO principles, WageMap will bring multiple stakeholder groups together to collectively define the parameters by which living wage estimates should be identified at national level.

The immediate outcomes that Living Wage Reference Standard will deliver are:

- Greater consistency of living wage methodologies
- Enhanced understanding of differences in estimates
- Increased transparency and access to living wage estimates
- Increased Awareness and understanding of living wages
- Streamlined funding towards estimates

The longer-term impacts of the Living Wage Reference standard are:

- Increased adoption of living wage estimates by employers
- Greater alignment, trust and collaboration amongst stakeholders
- More effective implementation of living wages
- Universally accepted, best practice standard
- Strengthened advocacy efforts living wages
- Estimates are incorporated into wage negotiations and company practices

See also: [WAGEMAP LOGIC MODEL](#)

The need and alignment | Living Wage Reference Standard

1/3 of workers globally earn less than a living wage, equating to 1 billion people. These workers earn less than they need to afford a decent standard of living. To support efforts to close the living wage gap, **numerous living wage benchmarking approaches & methodologies have emerged.**

As a result:

- **There is no universal standard** to calculate a living wage.
- The lack of clarity across Living Wage estimates has led to **minimal trust and collaboration on living wage approaches.**
- The use of different methods has led to **market distortions and compensation disparities.**
- The hyperfocus on methodologies has resulted in **insufficient resources directed towards actions to reduce the living wage gap,**
- There inconsistency of approaches to living wages as **prevented broader adoption of living wage across value chains.**

Sustainability claims to be substantiated |

Living Wage Reference Standard

The Living Wage Reference Standard intends to drive alignment and consensus on:

- The way cost-of-living data is acquired
- The specific basket of goods going into each category seeing how everyone doing it differently (e.g. public transportation, private car ownership)
- Primary indicators that have high-level impacts on living wage (geographic specificity, family size, members of the family, taxes etc.)

Following the establishment of the Living Wage Reference Standard, WageMap intends to develop 1) an aggregated dataset of the best estimate to use for a specific location as well as 2) guidance on the implementation of living wage estimates.