



Estimating living wages in Central and Eastern Europe

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What is a 'Living Wage'?

- Not a minimum wage, not legislated
- Calculated for a family, not a single worker
- Based on actual expenses in a given community, and taxes and gov't benefits
- Higher than the poverty line



Living Wage vs Minimum Wage, 2019

	Minimum Wage	Living Wage	Gap in
	per hour	per hour	2019
Ireland	9.8	11.9	21%
New Zealand	17.7	20.55	16%
United Kingdom	8.21	9	10%
London	8.21	10.55	29%
Vancouver, CA	12.65	20.91	65%
City of Durham, US	7.25	13.35	84%
Philippines (Capital, per day)	500	750	50%

- Note: Rates are stated in national currency.

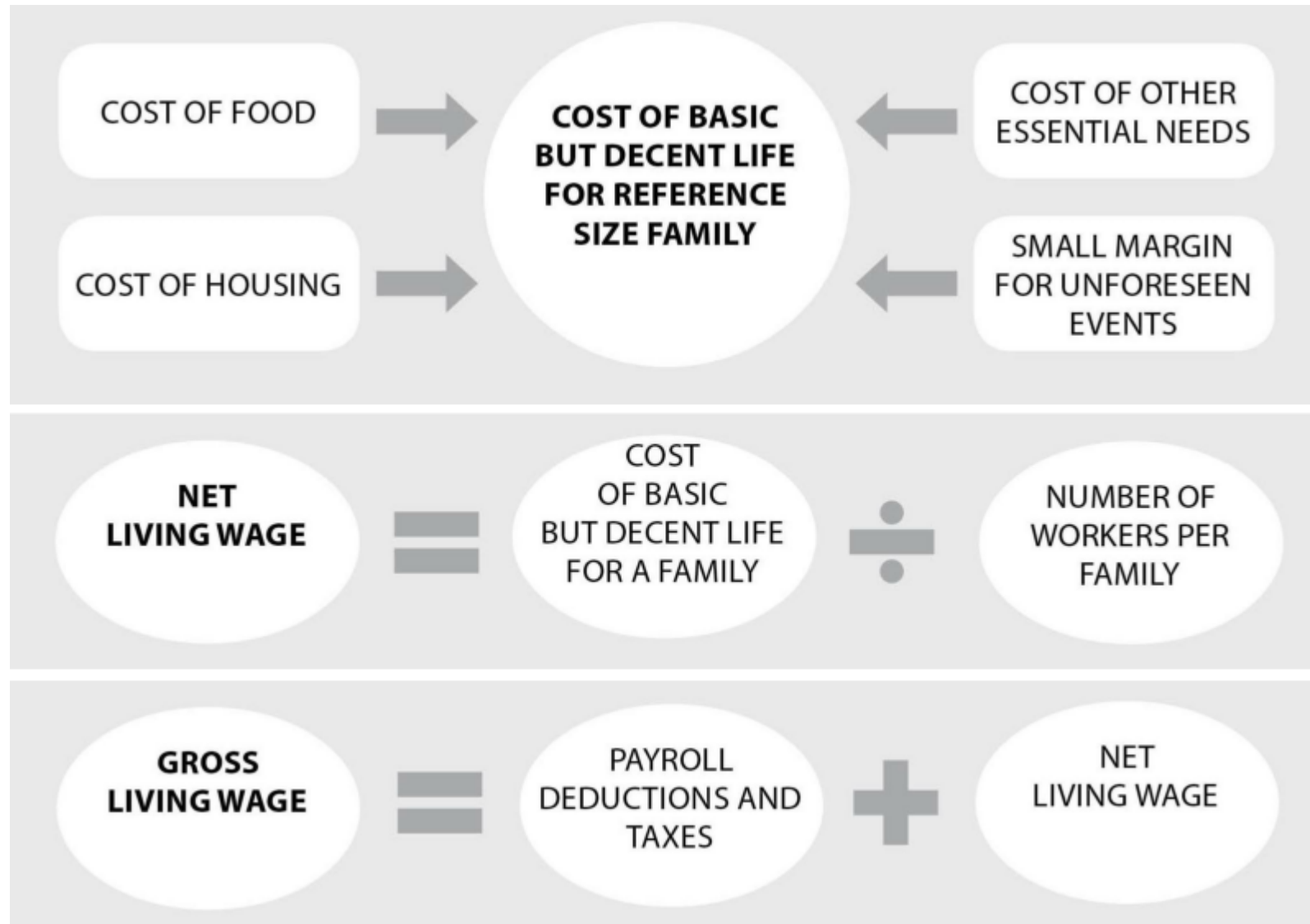


Living Wage characteristics

- The living costs cover food expenses considering national food preferences, housing expenses, education and healthcare expenses, travel expenses.
- Living Wage is calculated for different household types and under different assumptions about working hours
- Based on transparent principles and assumptions
- Easy to update regularly (prices are collected continuously)
- Estimates published online



Living Wage calculation method



Data used in the calculation

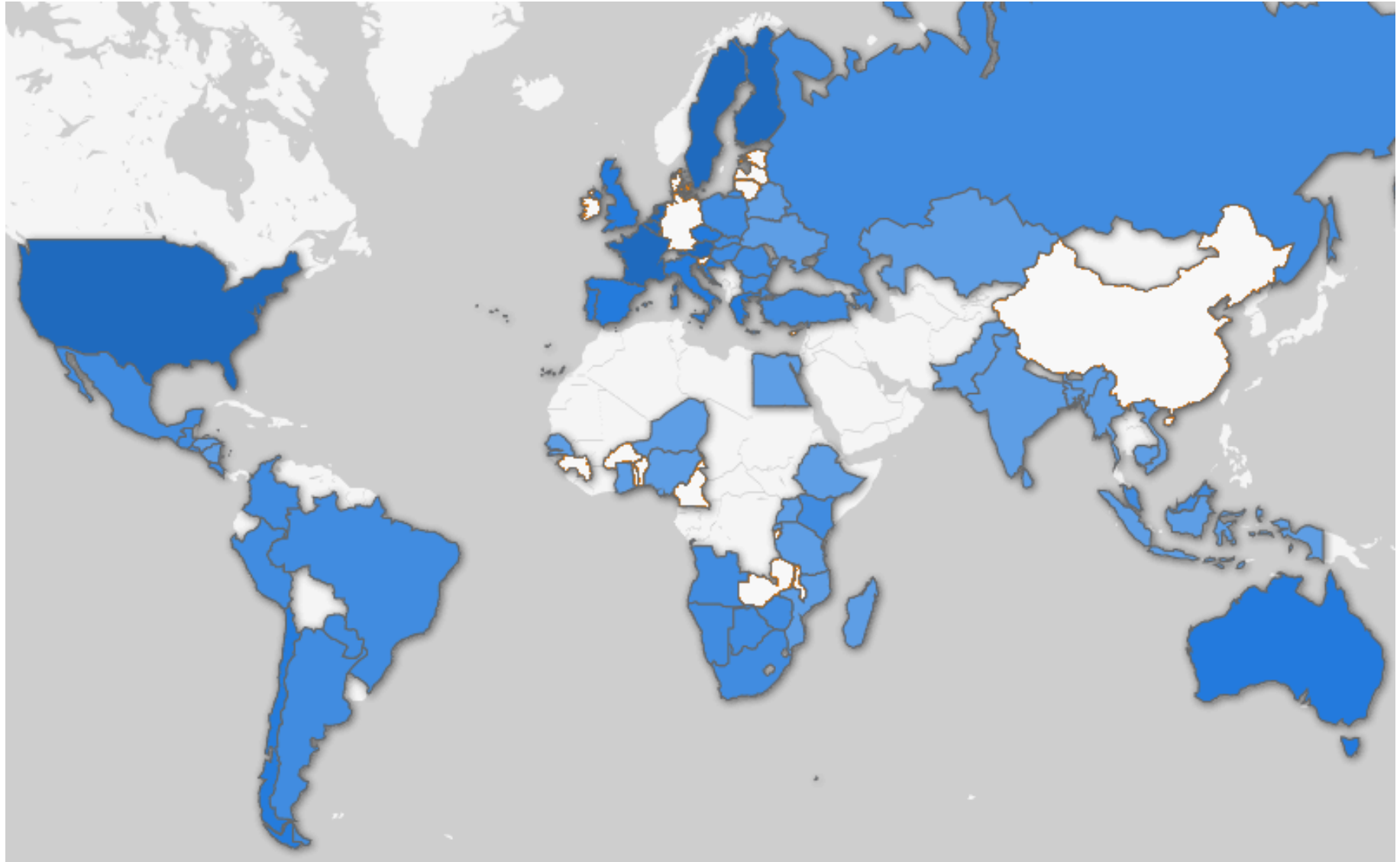
Cost-of-Living price survey started in January 2014.

- Prices are reported by web visitors and via offline surveys
- Prices on 60 food items, rental prices, education and health expenditure, public transport
- Two million prices gathered in 92 countries
- Use other price data (e.g. Numbeo, national surveys)

FAO food balance sheets to construct a food basket

World Bank data on fertility and employment rates

We can calculate Living Wages in 70 countries



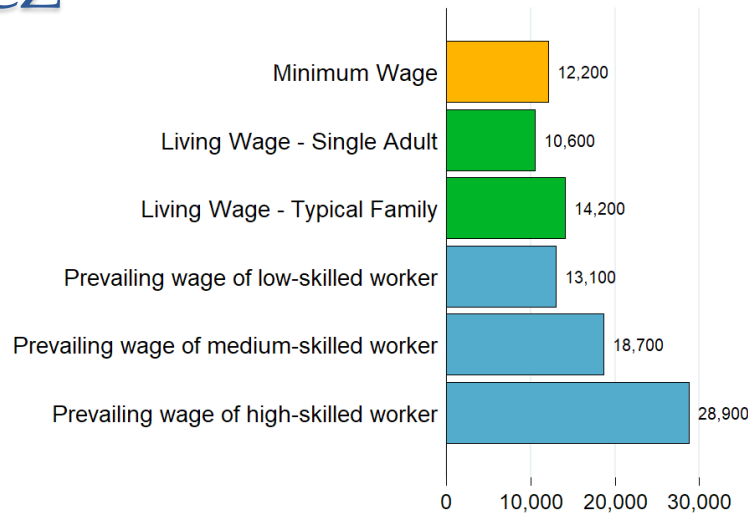
Expenditure and Living Wage calculation, in EUR

	Total living costs			Food			Housing			Living wage			Minimum
	from	to		from	to		from	to		from	to		wage 2018
Bulgaria	524	- 733		248	- 299		141	- 245		371	- 516		261
Czech Rep	737	- 1066		232	- 309		368	- 546		511	- 741		476
Hungary	563	- 792		207	- 266		183	- 310		463	- 651		436
Poland	580	- 1079		232	- 281		186	- 418		446	- 827		488
Romania	400	- 566		195	- 257		113	- 172		306	- 432		400
Russian Fed	351	- 494		179	- 245		60	- 93		224	- 316		127
Slovakia	565	- 828		240	- 320		200	- 320		395	- 580		480
Ukraine	214	- 313		107	- 142		60	- 102		146	- 214		122

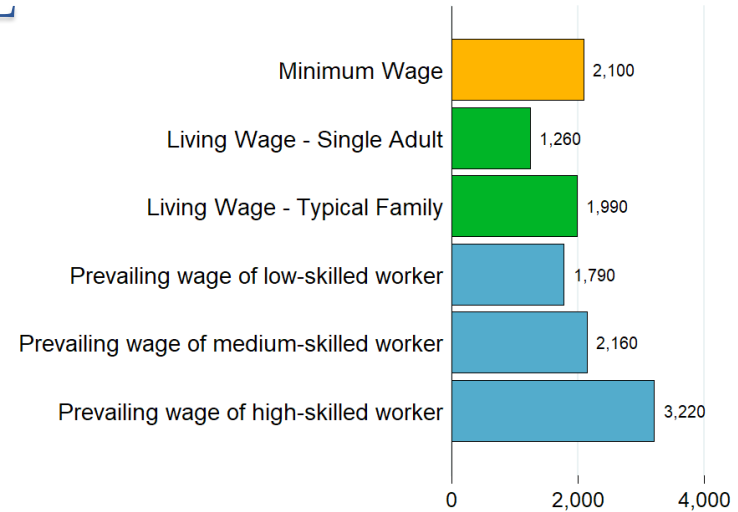
Living Wage is calculated for a 2+2 family. The family employment rate is 1.8 (one adult is a full-time worker and the second adult works 4 days per week). The total living costs are obtained by summing the costs of food, housing, travel, health and education. The 5% margin is added on top. Housing cost is the rent of a two-bedroom home. EUR exchange rate is taken on March 1, 2019.

Presentation of Living wages in context

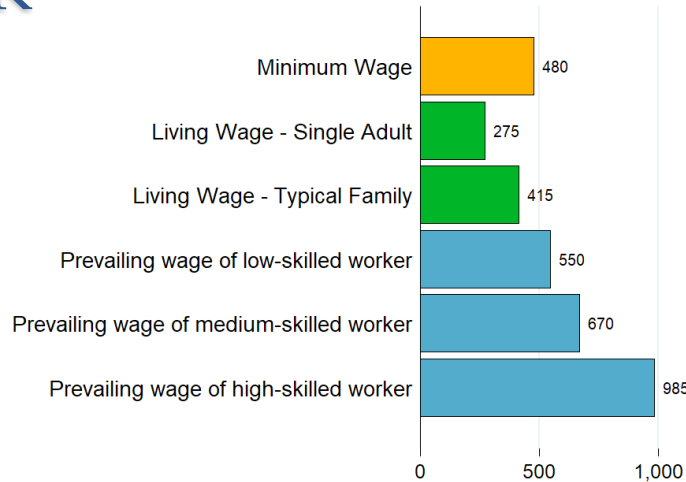
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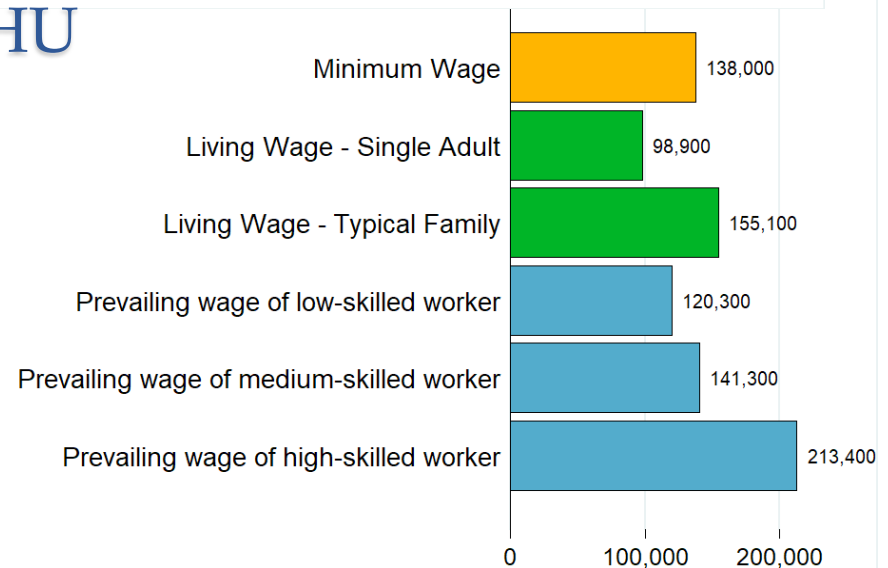
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● Note: Prevailing wages of workers are taken from WageIndicator global dataset on work and wages.

Living wage summary

- Using online prices Living Wage can be estimated for the large number of countries (currently 68 countries).
- All estimates are published at *www.wageindicator.org*.
- The calculation is sensitive to country characteristics (e.g. food consumption, price variations, family composition, labor market conditions)
- Living Wage could serve as an indicator of economic adequacy and a practical basis to set minimum wages.
- When information on prices is sufficient Living Wage can be estimated at the regional level.



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