

Living Wage & Income Assessments

A living wage or income assessment in **six** steps:

STEP 1
Identification of application and scope

1. Define for which purpose the wage or income information is needed. This step determines ao. the granularity of the assessment and the data requirements.

STEP 2
Assessment of current wages or income

2. Assess the current wage and / or income received, based on primary or secondary data. On a larger scale, use a wage model.

STEP 3
Identification of relevant benchmarks

3. Identify and assess relevant wage benchmarks using the Anker methodology, World Bank poverty benchmarks, and certification and civil society reference prices.

STEP 4
Identification of improvement strategies

4. Map and examine risks and opportunities for improvement, such as margin escalation, competition, procurement practices, productivity improvement, pricing, and outreach policy makers.

STEP 5
Integration in business applications

5. Share and distribute the assessment results internally and integrate within the existing business system.

STEP 6
Embedding in organizations

6. Roll out the results to other stakeholders in the value chain, and facilitate the required distribution and communication.

There is a growing demand for informed policies and practice on decent wages and income in product value chains. Amongst other things, this growth is driven by a need for human rights due diligence, government covenants, and requests by civil society and certification bodies. To address this demand, a systematic approach is needed. The *Living Wage and Income Assessments* offered by Impact Institute can help organizations with this. This brochure provides a brief overview of our experience and approach.

Impact Institute has conducted many *Living Wage and Income Assessments* in sectors such as coffee, cocoa and floriculture. There are different ways to tailor our approach depending on the sector and the use:



1. **Variations:**
*Top-down assessment /
Bottom-up assessment*



2. **Tools:**
*Tool for self-assessment
of living wage & income
(e.g. dashboard)*



3. **Training:**
*Training analysts to do
the assessments
themselves*



4. **Inclusive approach:**
Strategy workshop

Case studies

Tony's Chokolonely

In 2016, we conducted a living income calculation for Tony's to base their premium calculation on.

In 2018, we conducted a follow-up true price analysis to assess how Tony's compares to the sector with their improvements and operations since 2013.

The true costs of a bar, as calculated by True Price.

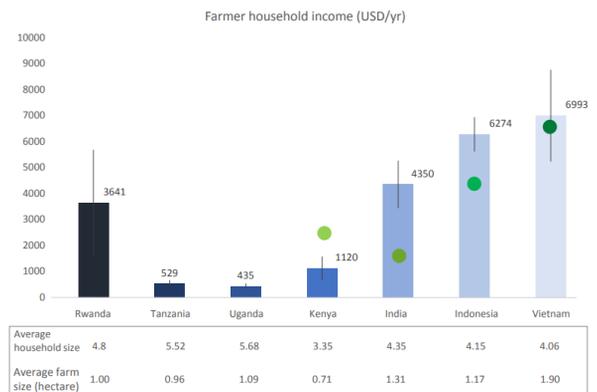


Read more on the Tony's Chokolonely's case by clicking on the logo and icon above.

Fairtrade International

For Fairtrade International we developed a rigorous and scalable methodology to measure farmer household income.

Our calculations and tools were used in two case studies, focusing on coffee and cocoa farmers



Read more on the Fairtrade cases by clicking on the logo and icon above.

About Impact Institute

Impact Institute aims to empower organizations and professionals to realize the Impact Economy. In an Impact Economy companies aim at creating less negative and more positive impact on society.

Selection of clients and partners:



AkzoNobel



Solidaridad

achmea



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Selection of our living wage & income experience

