# PRE-FIELDWORK TABLES FOR LIVING WAGE REPORTS

There are 5 major variables that form the basis of the living wage estimate. Some tables which help to estimate these variables (specified below – with explanatory notes) need to be completed before beginning fieldwork because they help guide the fieldwork and make it more effective and efficient.

1. Reference family size needing support (with preliminary decision made before fieldwork) based on **Chapter 12** of the manual.
2. Number of full-time equivalent workers per family expected to provide support based on **Chapter 13** of the manual. This variable is based on labor force participation rates, unemployment rates and part-time employment rates. Level of part-time employment might be influenced by information gathered during fieldwork.
3. Local housing conditions (**Chapter 5** of the manual) and living wage standard. Setting a preliminary local standard should be completed before fieldwork – although it could be modified early during the fieldwork.
4. NFNH costs (**Chapter 7** of the manual). Preliminary NFNH/food ratio estimate should be completed before fieldwork – final ratio to be completed afterwards.
5. Model diet (**Chapter 3** of the manual). Preliminary model diet should be developed before fieldwork - final model diet after fieldwork.
6. It is useful to obtain additional information required for the report before fieldwork to the extent possible. Such information includes:
	* Customary in kind benefits in the industry or industries of interest
	* Possible existence of free school meals and what grades they affect
	* Mandatory deductions from pay (you need to be able to calculate taxes on a living wage)
	* Information for education and health care costs.

# 1. Deciding on reference family size needing to be supported by a living wage using secondary data on fertility, child mortality, and average household size

Living wage is a family concept. Therefore, it is necessary to decide on an appropriate family size for a living wage. Family size needing to be supported on a living wage should be determined using secondary data on: (1) average household size for households with 2+ members found in population surveys and censuses and (2) total fertility adjusted for child mortality. The secondary data used to determine these for the location of interest (e.g. rural or urban) should be indicated in the tables below.

It is a good idea to provide information from several secondary data sources, because reported average household size and total fertility rate are sensitive to year, definition, and measurement. Tables to record this information follow:

**TABLE 1: ESTIMATION OF REFERENCE SIZE FAMILY (CHAPTER 12 OF LW MANUAL)**

**Table for recording total fertility rate, under 5 mortality rate, and household size distribution by number of household members**

|  |
| --- |
| 1. **Total fertility rate (TFR)**
 |
| **Source and year of data** | **Rural** | **Urban** | **Location-specific (specify)** | **Naational** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Conclusion and explanation of best TFR to use**  |  |
| 1. **Under 5 mortality rate (U5MR)**
 |
| **Source and year of data** | **Rural** | **Urban** | **Location-specific (specify)** | **National** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Conclusion and explanation of best U5MR to use**  |  |
| 1. **Calculate mortality adjusted total fertility rate using conclusions from 1 and 2 above**
 |
| **Mortality adjusted TFR****=TFR × (1-child mortality rate per 100 births)** |  |

|  |
| --- |
| 1. **Household size (use additional sheet for other sources or years)**
 |
| Source and year:  |
| **# persons in household** | **% of households** |
|  | **Rural** | **Urban** | **Location-specific (specify)**  |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10+ |  |  |  |
| **Average household size** |  |  |  |
| **Average household size excluding 1 person households and especially large households (with more than adjusted TFR+5 persons)** |  |  |  |
|  |  |  |  |  |

**TABLE 2: REFERENCE FAMILY SIZE SELECTED FOR LIVING WAGE ESTIMATEBASED ON MORTALITY ADJUSTED TFR AND ADJUSTED AVERAGE HOUSEHOLD SIZE**

|  |  |
| --- | --- |
| Specify location |  |
| Reference family size selected |  |
| Explanation of family size selected  |  |

**Possible additional funds to assist parents and relatives outside nuclear family**

From what you know about the country and location, do you anticipate that additional funds will be needed to assist parents and relatives outside nuclear family? This may change after fieldwork – but it is good to have an idea of the extent to which this is an issue before fieldwork.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# 2. DECIDING ON NUMBER OF FULL-TIME EQUIVALENT WORKERS PER COUPLES WHO PROVIDE FINANCIAL SUPPORT BASED ON SECONDARY DATA ON LABOR FORCE PARTICIPATION RATES, UNEMPLOYMENT RATES AND PART-TIME EMPLOYMENT RATES

Our living wage methodology assumes that more than one adult in reference family works full-time. This means that it is necessary to estimate the typical number of full-time equivalent workers per couple. This is estimated using information from secondary sources on: labor force participation rates, unemployment rates, all and part-time employment rates for persons aged 25-59.

The secondary data used for the location of interest (e.g. rural/urban/national)[[1]](#footnote-1) should be indicated in the tables below. Since values for these variables are sensitive to how they are defined and measured and how recent they are, it is useful to collect information on these from several sources and years.

## 2.1 **Labor force participation rate from secondary data sources (remember that labor force is the sum of unemployed + employed)**

This section records information on labor force participation rates by 5 year age groups, sex and location of interest (table 3). With this information, it is possible to calculate the average labor force participation rate for ages 25-59. We recommend using the average values for males 25-59 and females 25-59.

There are often values from several sources of information on LFPR. Please indicate the most reliable sources of information. Keep in mind that LFPRs differ greatly by age, sex and location.

Note that separate copies of table 3 should be used for additional data sources and/or years.

**TABLE 3 LABOR FORCE PARTICIPATION RATES (LFPRS) BY AGE GROUP AND SEX: OBJECTIVE IS TO ESTIMATE VALUE FOR AGES 25-59 IF POSSIBLE.**

**DATA SOURCE AND YEAR\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  | **Rural** | **Urban** | **Location of interest** | **National** |
| --- | --- | --- | --- | --- |
| **Age group** | **M** | **F** | **All** | **M** | **F** | **All** | **M** | **F** | **All** | **M** | **F** | **All** |
| **15-19** |  |  |  |  |  |  |  |  |  |  |  |  |
| **20-24** |  |  |  |  |  |  |  |  |  |  |  |  |
| **25-29** |  |  |  |  |  |  |  |  |  |  |  |  |
| **30-34** |  |  |  |  |  |  |  |  |  |  |  |  |
| **35-39** |  |  |  |  |  |  |  |  |  |  |  |  |
| **40-44** |  |  |  |  |  |  |  |  |  |  |  |  |
| **45-49** |  |  |  |  |  |  |  |  |  |  |  |  |
| **50-54** |  |  |  |  |  |  |  |  |  |  |  |  |
| **55-59** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average 25-59** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Average for another age range if 25-59 not available** |  |  |  |  |  |  |  |  |  |  |  |  |

**TABLE 4 SUMMARY TABLE FOR LFPR BASED ON TABLE XX INFORMATION. RATES SHOULD BE FOR AVERAGE OF MALES AND FEMALES (I.E. (M+F)/2)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source and year** | **Age group****(25-59 if possible)** | **Rural** | **Urban** | **National** | **Location of interest** | **Comments** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Conclusion for LFPR to use for living wage estimate\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Justification for conclusion: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## 2.2 Unemployment rate from secondary data sources

Information on unemployment rates by 5 year age groups, sex and location (e.g. rural/urban/national) should be recorded in table 5. Remember that unemployment rates typically differ greatly by age, sex, location, and year. With this information, it is possible to calculate the average unemployment rate for ages 25-59. Note that separate copies of table xx should be used for additional data sources and/or years. Indicate most reliable sources.

**TABLE 5 UNEMPLOYMENT RATES BY AGE GROUP, SEX AND LOCATION**

SOURCE AND YEAR: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  | **Rural** | **Urban** | **National or location of interest (specify)** |
| --- | --- | --- | --- |
| **Age group** | **M** | **F** | **All** | **M** | **F** | **All** | **M** | **F** | **All** |
| **15-19** |  |  |  |  |  |  |  |  |  |
| **20-24** |  |  |  |  |  |  |  |  |  |
| **25-29** |  |  |  |  |  |  |  |  |  |
| **30-34** |  |  |  |  |  |  |  |  |  |
| **35-39** |  |  |  |  |  |  |  |  |  |
| **40-44** |  |  |  |  |  |  |  |  |  |
| **45-49** |  |  |  |  |  |  |  |  |  |
| **50-54** |  |  |  |  |  |  |  |  |  |
| **55-59** |  |  |  |  |  |  |  |  |  |
| **Calculate average ages 25-59** |  |  |  |  |  |  |  |  |  |
| **Calculate average another age range if age 25-29 not available** |  |  |  |  |  |  |  |  |  |

**TABLE 6 SUMMARY TABLE FOR UNEMPLOYMENT RATES BASED ON ABOVE TABLES. USE AVERAGE OF MALES AND FEMALES (I.E.(M+F)/2)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Source and year** | **Age group** | **Rural** | **Urban** | **National/ location of interest** | **Comments** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Conclusion for unemployment rate to use to estimate a living wage estimate\_\_\_\_\_\_\_\_\_\_\_\_\_**

Justification for conclusion \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## 2.3 Part-time employment rate from secondary sources

The part-time employment rate is the proportion of workers who work part-time – often defined as % of workers who work less than 20 or 30 hours per week, which we assume is equivalent to ½ time work.

There is often a lack of information on part-time employment, and information is often based on small studies. Therefore it is important to have several sources of information. This could included the following types of information on number of hours worked (if possible by age, sex, and location):

* % part-time work
* % of workers less than 30 hours per week
* % of workers less than 20 hours per week
* Average number of hours of work per week
* Number or proportion of weeks worked during the year to represent seasonality of work

**TABLE 7 PART-TIME EMPLOYMENT RATE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source and year** | **Age group** | **Sex** | **Rural** | **Urban** | **National or location of interest** | **Indicator and definition used by source (specify)** |
|  |  | M |  |  |  | Part-time employment rate (defininition):  |
|  |  | F |  |  |  | Part-time employment rate (defininition):  |
|  |  | **(M+F)/2** |  |  |  | Part-time employment rate (defininition):  |
|  |  | M |  |  |  | Hours worked per week (definition) |
|  |  | F |  |  |  | Hours worked per week (definition) |
|  |  | **(M+F)/2** |  |  |  | Hours worked per week (definition) |
|  |  | M |  |  |  | Seasonal work (definition) |
|  |  | F |  |  |  | Seasonal work (definition) |
|  |  | **(M+F)/2** |  |  |  | Seasonal work (definition) |
|  |  | M |  |  |  |  |
|  |  | F |  |  |  |  |
|  |  | **(M+F)/2** |  |  |  |  |

**Conclusion for part-time employment rate to use for living wage estimate\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Justification for conclusion \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## 2.4 Calculation of number of full-time equivalent workers per couple using equation below.

Equation 1:

Equation 2:

# 3. DECIDING ON PRELIMINARY LOCAL HOUSING STANDARD FOR LIVING WAGE

Housing costs for a living wage are estimated from a survey of local housing costs for an acceptable dwelling (primary data collection). Before conducting a local housing survey, it is necessary to decide on an appropriate minimal acceptable housing standard. This standard should be based partly on current housing conditions and norms from secondary data (table 8 below) and partly on international minimum housing standards (see manual). Fill out table 8 for the study location (e.g. rural or urban, or other location of interest such as region or province or major city for a large complex country). Indicate the final local housing standard for estimating a living wage in table 9.

Tables 8 and 9 should be adapted to the local situation.

**TABLE 8 CURRENT HOUSING CONDITIONS BASED ON SECONDARY DATA**

**SOURCE AND YEAR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

| **Characteristics**(Specific items will vary by survey and country) | **Urban** **%** | **Rural****%** | **Location of interest (when possible)****%** | **Comments about local acceptable standard for each bolded characteristic** |
| --- | --- | --- | --- | --- |
| **Structure**  |
|  Permanent (concrete/bricks/zinc) |  |  |  |  |
|  Semi-permanent (either wall or roof not permanent) |  |  |  |
|  Temporary (thatch roof & sundried bricks) |  |  |  |
| **Roof** |
|  Corrugated iron |  |  |  |  |
|  Concrete/tile |  |  |  |
|  Thatch |  |  |  |
|  Other (specify) |  |  |  |
| **Floor** |
|  Cement/tile |  |  |  |  |
|  Earth/dung |  |  |  |
|  Wood |  |  |  |
|  Other (specify) |  |  |  |
| **Wall** |
|  Cement/stone/brick |  |  |  |  |
|  Wood |  |  |  |
|  Mud with stone or sticks |  |  |  |
|  Iron sheet |  |  |  |
|  Bamboo |  |  |  |
|  Other (specify) |  |  |  |
| **Electricity** |  |  |  |  |
| **Lighting source** |
|  Electricity |  |  |  |  |
|  Paraffin/kerosene |  |  |  |
|  Firewood |  |  |  |
|  Other (specify) |  |  |  |
| **Cooking fuel** |
|  Wood |  |  |  |  |
|  Charcoal |  |  |  |
|  Kerosene |  |  |  |
|  LPG |  |  |  |
|  Electricity |  |  |  |
|  Straw/shrub/grass |  |  |  |
|  Other (Specify) |  |  |  |
| **Water source** |
|  Piped into dwelling or yard |  |  |  |  |
|  Public tap |  |  |  |
|  Borehole/tube well |  |  |  |
|  Protected well |  |  |  |
|  Unprotected well |  |  |  |
|  Unprotected spring/river/lake |  |  |  |
|  Rainwater |  |  |  |
|  Other (specify) |  |  |  |
| **Toilet facility** |
|  Pit latrine with slab |  |  |  |  |
|  Pit latrine without slab/open pit |  |  |  |
|  VIP toilet |  |  |  |
|  Flush toilet |  |  |  |
|  No facility, bush |  |  |  |
|  Other (specify) |  |  |  |
| **Number of rooms (or number of bedrooms)** |
|  1 |  |  |  |  |
|  2 |  |  |  |
|  3 |  |  |  |
|  4+ |  |  |  |
| **Average number of square meters per dwelling**  | Indicate if covered or living space |
|  |  |  |  |  |
| **Consumer durables (possibly add other important items)** |
|  Refrigerator |  |  |  |  |
|  Motorbike or scooter |  |  |  |
|  Car |  |  |  |
|  Television |  |  |  |  |

**TABLE 9: HOUSING STANDARD FOR STUDY AREA (PRELIMINARY IDEA BEFORE FIELDWORK – FINALIZED DURING FIELDWORK**

|  |  |  |
| --- | --- | --- |
| **Housing characteristics** | **International minimum requirements** | **Housing standard for study area** |
| **Materials** |  |
| Walls | Durable material providing protection from elements |  |
| Roof  | Durable material without leaks |  |
| Floor | Durable material  |  |
| **Amenities** |
| Toilet | At least pit latrine with slab |  |
| Water | Safe water not far from home (maximum 30 minutes total collection time per day) |  |
| Electricity | Generally yes, but not required if not common in study area |  |
| **Ventilation & Lighting** |
| Ventilation quality | Good ventilation. Especially important when cooking indoors  |  |
| Lighting | Adequate |  |
| Number of windows | Sufficient for adequate lighting and ventilation |  |
| **Living Space** |
| Number of square meters of living space | ≥30 sq m. (increases with economic development) |  |
| Number of rooms | ≤ 2 persons per room excluding kitchen and toilet |  |
| Kitchen location | If kitchen is inside house, adequate ventilation for cooking needed |  |
| **Condition** | In good state of repair | In good state of repair |
| **Environment** | Not a slumNo site hazards such as: surface water drainage, industrial pollution, danger of landslides, flood zone |  |

**ADDITIONAL INFORMATION (collect as much as possible before fieldwork and the rest during fieldwork on local standards for living space and number of rooms)**

1. Standards for public/social/low income housing.
2. Local housing standards and norms from NGOs such as Habitat for Humanity and/or Rainforest Alliance.

# 4. CALCULATING PRELIMINARY NFNH/FOOD RATIO FROM SECONDARY DATA

Household expenditure data from secondary sources such as a household income and expenditure survey are used in a living wage study to help estimate the cost of all expenditures except food and housing. This is done by estimating the NFNH/Food ratio according to secondary data.

Since this ratio increases with household income, and is different in rural and urban areas and major cities, it is necessary to decide on which part of the household expenditure distribution to use to calculate this ratio (for example often, 30th percentile for upper middle income countries and some lower middle income countries, 40th percentile most common for lower middle income countries and low income countries, 50th percentile would be unusual, sometimes used for very low income countries).

Note that the data should be for the most appropriate area when possible (rural, urban, state/ province in large countries, capital city, etc.). Note that the manual discusses how to make adjustments when data are not available by household expenditure group.

To the extent possible, household expenditure data should be provided for those sub-major expenditure groups indicated in table 10 below.

Table 11 below is used for adjusting the NFNH data for our methodology (see manual for description of adjustments and their justification) so that preliminary NFNH/Food ration can be calculated

## 4.1 Percentage distribution of household expenditures by income decile and location from secondary data for major (ans some submajor) expenditure groups

**TABLE 10. PERCENTAGE DISTRIBUTION OF HOUSEHOLD EXPENDITURES BY INCOME DECILE**

**SOURCE AND YEAR \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**LOCATION \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

| **Major expenditure group (change if necessary)** | **Sub-major expenditure group (change as necessary)** | **30th % of household expenditure distribution** | **40th % of household expenditure distribution** | **50th % of household expenditure distribution** | **Total** |
| --- | --- | --- | --- | --- | --- |
| **%****Expenditure** | **%****Expenditure** | **%****Expenditure** | **%****Expenditure** |
| **Food** |  |  |  |  |  |
|  | Food & non-alcoholic beverage |  |  |  |  |
|  | Alcohol (if included here) |  |  |  |  |
|  | Tobacco (if included here) |  |  |  |  |
|  | Meals away (if included here) |  |  |  |  |
|  | Cooking fuel (if included here) |  |  |  |  |
| **Housing** |  |  |  |  |  |
|  | Actual rentals |  |  |  |  |
|  | Imputed rentals |  |  |  |  |
|  | Maintenance and repair |  |  |  |  |
|  | Water and miscellaneous services related to housing |  |  |  |  |
|  | Electricity, gas, and other fuels |  |  |  |  |
| **Alcohol & tobacco**  |  |  |  |  |  |
|  | Alcohol (if included here) |  |  |  |  |
|  | Tobacco (if included here) |  |  |  |  |
| **Restaurants and hotels** | (if this is its own major expenditure group) |  |  |  |  |
| **Clothing and footwear** |  |  |  |  |  |
| **Household contents and appliances** |  |  |  |  |  |
| **Health** |  |  |  |  |  |
|  | Medical products, appliances, and equipment |  |  |  |  |
|  | Outpatient services |  |  |  |  |
|  | Hospital services |  |  |  |  |
| **Education** |  |  |  |  |  |
| **Transport** |  |  |  |  |  |
|  | Personal vehicle purchases |  |  |  |  |
|  | Personal vehicle operation |  |  |  |  |
|  | Personal passenger transport |  |  |  |  |
| **Communication** |  |  |  |  |  |
| **Recreation & culture** |  |  |  |  |  |
| **Miscellaneous goods & services** |  |  |  |  |  |

## 4.2 Adjusting secondary data on household expenditures to our methodology so that preliminary NFNH/Food ratio can be calculated

**TABLE 11. ESTIMATING NFNH TO FOOD RATIO WITH ADJUSTMENTS USING RECENT SECONDARY DATA ON HOUSEHOLD EXPENDITURE**

 **LOCATION\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

| **Major expenditure group (change if necessary)** | **Secondary data** | **Adjustments** |
| --- | --- | --- |
| **Sub-major expenditure group (change as necessary)** | **% Expenditure in secondary data**  | **Adjustments explanation** | **% after adjustment**  |
| Food |  |  |  |  |
|  | Food & non-alcoholic beverages |  | When food away is included in restaurants and hotels add part of food away here.  |  |
|  | Alcohol (if included here) |  | Put alcohol into the alcohol & tobacco major group & use 0 here | 0 |
|  | Tobacco (if included here)  |  | Exclude tobacco. Use 0 here | 0 |
|  | Meals away (if included here) |  | Put part of meals away into restaurants & subtract that part herea |  |
|  | Cooking fuel (if included here) |  | Put into housing & use 0 here | 0 |
| **TOTAL FOOD** |  |  |  |  |
| Housing |  |  | Add cooking fuel % WHEN cooking fuel is included in food. . |  |
| Alcohol & tobacco  |  |  |  |  |
|  | Alcohol (if included here) |  | (WHEN alcohol was in food group) Add here. Reduce if excessive.(WHEN alcohol was here) Put same amount here) |  |
|  | Tobacco (if included here) |  | Exclude | 0 |
| Restaurants and hotels |  |  | (WHEN meals away was included in food group) Add part here (see notes below).(WHEN meals away was here) Put part in food group & subtract this here (see notes below) |  |
| Clothing and footwear |  |  | None |  |
| Household contents and appliances |  |  | None |  |
| Health |  |  | None |  |
| Education |  |  | None |  |
| Transport |  |  |  |  |
|  | Personal vehicle purchases |  | Subtract part of this when workers expected to exclusively use passenger transport (see notes below) |  |
|  | Personal vehicle operation |  |  |
|  | Passenger transport |  | None |  |
| Communication |  |  | None |  |
| Recreation & culture |  |  | None |  |
| Miscellaneous goods & services |  |  | None |  |
| **TOTAL NFNH** |  |  |  |  |

Notes: Percentage of the cost of meals away from home for the food in these meals varies across countries especially depending on whether meals are sold in fixed establishments or on street. Base assumption is that 50% of cost of meals away is for the food in these meals for most developing countries, 70% for Asian type street markets, and 30% for developed countries.

There are additional expenses for owning and operating a personal vehicle compared with exclusive use of passenger transport. These expenses vary by country. Base assumption for developing countries is that 50% of the cost of private vehicle purchase and operation should be subtracted when workers exclusively use passenger transport when a motorbike is the most common form of private transport. If car is the most common form of personal transport subtract 2/3 of these costs.

### 4.3 Calculation of preliminary NFNH/Food ratio

## 5. MODEL DIET

It is useful to develop a preliminary model diet before the fieldwork when local food prices are collected, because this will help you to identify potential issues about the model diet that you can address during the fieldwork through discussions with workers and key informants.

The types of issues that we found often need to be addressed concern the amounts of milk that children need, the amount of milk that adults put into their tea or coffee, possible importance of cheese or yogurt consumed, frequency per week of different animal products felt to be needed for decency, amounts of beans and pulses found to be acceptable, types and amounts of prepared cereals consumed, such as bread, noodles, etc. and identify acceptable quality for main grain.

Two Excel programs are used to develop the model diet. The first is the calorie requirements Excel program and the second is the model diet Excel program. To use the model diet program you need the number of calories required per person from the calories requirement program and information on food consumption from secondary sources such as observed actual food consumption or a model diet from a poverty lines or a nutritionist.

When the first draft of the living wage report is sent in, it should be accompanied by the model diet Excel program and calorie Excel program and an Excel file with food prices collected.

## 6. MISCELLANEOUS INFORMATION NEEDED FOR REPORT

The following information are needed for the living wage reports. It is useful to gather as much of this information as possible BEFORE the fieldwork – so that you understand the situation to the extent possible to help frame and guide the fieldwork.

1. Free school meals in public schools
	1. Are free meals provided in public schools?
	2. If so, for what grades or standards?
	3. Number of school days per year?
2. Number of visits to health care providers per person per year. This is often available from secondary sources (Demographic and Health surveys are a good source for this information).If such information is not available we assume 3 or 4 visits per person per year (i.e. one visit every 3 to 4 months).
3. Quality, accessibility and cost of public health care services.
4. Distribution of health care visits between
	1. Public services
	2. Private services
	3. Pharmacies
	4. Traditional practitioners, etc.

The distribution of health care visits is often found in secondary data. Note that although the study includes focus group discussions and these discussions can provide important insights, they may not yield robust answers since the sample may not be representative and the sample size will be small. Data collected in the field can provide greater understanding of this issue in the locality, but need to be be supplemented by secondary sources.

1. Common illnesses in the area – understanding what the most common illnesses are is very helpful so that you are prepared to discuss the cost of treatment for these illnesses during fieldwork. Secondary data are usually available on this.
2. Mandatory deductions from pay
	1. List all mandatory deductions from pay with amount or percentage of pay deducted. For example: social security, unemployment insurance schemes, union dues, pension fund, provident fund, etc.
	2. Tax schedules including income tax and other taxes that are applicable to workers.
	3. Indicate forms of remuneration that are not taxed for income tax and for each statutory deduction.
	4. Note that this information should be checked with/vetted with supporting certifying organization.
3. Minimum wages for location, occupation and sector of interest.
4. National poverty lines for rural, urban, and location of interest when available.
5. Glossary used for classification of household expenditure data. This should be available from the national statistical office since is used to classify household expenditures. It helps you to understand what expenditures are included in food, in transportation, in housing, education, health care, etc.
6. Note that a transport post check is not required.
1. Although breakdowns of rural/urban/national are the most common, it is also possible to use other breakdowns – such as rural or urban by region or province in large countries. [↑](#footnote-ref-1)