

Measurement Approaches in Living Income

Key resources

LICOP FAQs

- [Benchmarking FAQ](#)
- [Actual Income Measurement FAQ](#)
- [Calculation, Analysis, and Reporting FAQ](#)

LICOP Aligned Inclusive Living Income Resources

- [Aligned Inclusive Living Income Narrative and Indicators](#)
- [LICOP Study Template for Alignment](#)

Relevant Resources

- [Impact Institute - Fisher Poverty, Value Chain Equity and Resilience: The case of the Indonesian Blue Swimming Crab and the Peruvian Mahi-Mahi](#)
- [IDH Income Measurement Guidance Tool](#)
- [IDH Income Driver Calculator](#)
- [Cocoa Household Income Study Approach](#)

Upcoming Events

- [Living Income Across Sectors: Insights from cocoa, coffee, and palm](#) - Webinar - Wednesday 28 April
- [Pathways to Income Improvement in Asia: Addressing Barriers and Unlocking Opportunities](#) - Virtual workshop - Wednesday 11 June

Living Income Community of Practice

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- <https://www.living-income.com/about-us/get-involved>
- [LICOP newsletter](#)
- [LICOP LinkedIn](#)

Q&A

Are there any live tools which allow extension service field-workers to assimilate Living Income data as they conduct their existing sustainable development programme tasks?

We encourage companies / organisations to:

1. Ensure their data meet their use case to ensure the amount of data collected is sufficient for but does not exceed what is needed for decision-making, and
2. When planning data collection, start with what is already collected by your own organisation, supply chain partners and/or third party publicly available data. For example, if data is already collected on the ground, that can often be used to build most components at least of the focus area income (Total Production, Cost of Production, price). Leaning on this type of data can be great for monitoring progress.

Would you recommend to keep separated the on-farm (non-focus crop) and off farm income elements for survey and analysis?

It depends on the context, but keeping them separate can later provide more nuances for decision making as you can identify which would be the most effective levers for changing incomes.

Farming households also often think about their non-focus crop on-farm income and off-farm income differently. The questions you ask to understand both elements will likely be different, so it makes sense to keep them separate.

To make progress on the road to living wages, what role do traceability and transparency play?

Traceability and transparency are critical for understanding where raw materials come from and that is the first step to understanding the farming system conditions on the ground and key challenges.

Are there cases where microloans for productive assets or inputs might contribute to increased income, but lower net financial gain to households?

Certainly. Taking a loan can be helpful in order to pay the upfront costs often associated with production. However, if the return on that investment is not sufficient, the loan can lead to lowered income. Any entity promoting the taking of loans should understand the short and medium term impact of that loan, including the initial amount, interest rate and expected return. VSLAs can be a helpful alternative (one benefit among many) that incorporate the use of savings instead of a traditional loan.

The problem with the recommended design of interventions to focus on the “most in need” means that the most advanced companies committed to leading in the field of Living Incomes would be forever funding the “most in need”.

The intervention does not need to focus on the most in need, but rather the idea of an inclusive living income approach is to not focus an intervention on those closest to the benchmark in order to be able to report a larger percentage of households over the benchmark. The pressure to report on % of households above the benchmark was putting an external (and false) focus on those farming households. Instead, focusing on the typical farming household (not necessarily the most vulnerable farming household) centres interventions on the majority of farming households and aims to move the whole system. As several of the speakers mentioned, an alternative can be to segment the farming households and then tailor programming to each of the segments, based on their specific challenges and needs.

Moreover, the concept of living income can help to understand roles and responsibilities. By examining different income elements and challenges to income generation, it is easier to understand which gaps need support from government / NGOs / companies to close. Using certain analytical methods (such as that underlying the Fairtrade Living Income Reference Price) can also help to understand if a company's support and trading practices are enabling a living income relative to share of income earned from the focus crop and land size.