



The Living Income
Community of Practice

LIVING INCOME 101

**ESSENTIAL CONCEPTS &
PRACTICAL INSIGHTS**

20 February 2025

14:00-15:00 UTC | 15:00 – 16:00 CET

TODAY'S FACILITATORS



Carla Rodriguez
Senior Project
Coordinator, Impacts
and Innovations
ISEAL



Molly Leavens
Program Manager
**Sustainable Food
Lab**



Mariana Bastos
Project Coordinator,
Impacts and Innovations
ISEAL

Technical support

SESSION GUIDELINES

RECORDING

- This session is being recorded, and this will be shared with all participants on the Living Income webpage in the upcoming days .

INTRODUCE YOURSELF

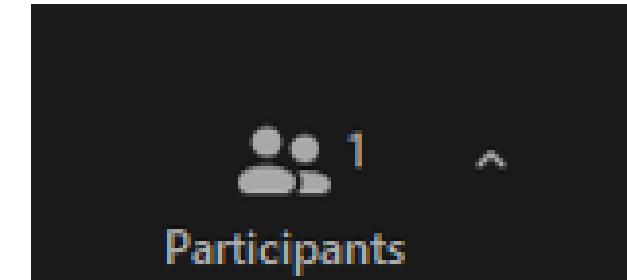
- Edit your name and add your organisation in brackets; e.g., Carla (ISEAL)
- To do this, simply click on the “Participant button”
- Next, in the Participant list, next to your name click on “Rename”

HOW CAN I ASK A QUESTION/COMMENT?

- pop your questions in the Q&A box or comment in the chat box.
- Interact with us by responding to our Mentimeter questions

TECHNICAL DIFFICULTIES?

- Reach out to Mariana Bastos in the chat box or to livingincome@isealalliance.org

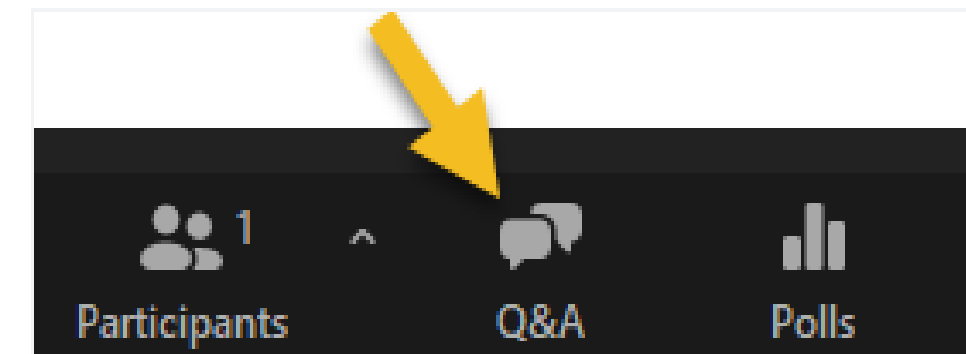


ISEAL (Host, me)

Unmute



Rename



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MENTI QUESTION

What word comes to mind when you think about improving incomes?

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INTRODUCTION TO CONCEPTS

- What is living income
- Living income vs living wage
- The living income story
- Living income benchmark
- Actual income
- The income gap
- Tools and resources to support you

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WHAT IS LIVING INCOME?



Living income is about the income level that would **enable a family to afford a decent standard of living.**



The **net annual income** of a **household**, which comes from a **variety of sources**, is sufficient to cover the **cost of a decent standard of living** for a typical household in a particular place

Menti question

Earning a living income means

(Multiple choice)

- A worker earns enough in a work week to enable his family to afford a decent standard of living
- A household earns enough in a year to afford a decent standard of living (correct)
- A farmer earns enough to meet minimum or baseline levels of income

LIVING WAGE AND LIVING INCOME: CONCEPTS AND DEFINITIONS



Living Wage

A worker earns enough in a standard work week to enable his/her family to afford a decent standard of living.

GLOBAL
LIVING WAGE
COALITION

Both are derived from the idea of
achieving a decent standard of
living.



Living Income

Farming households earn enough in a year from all income sources to afford a decent standard of living.

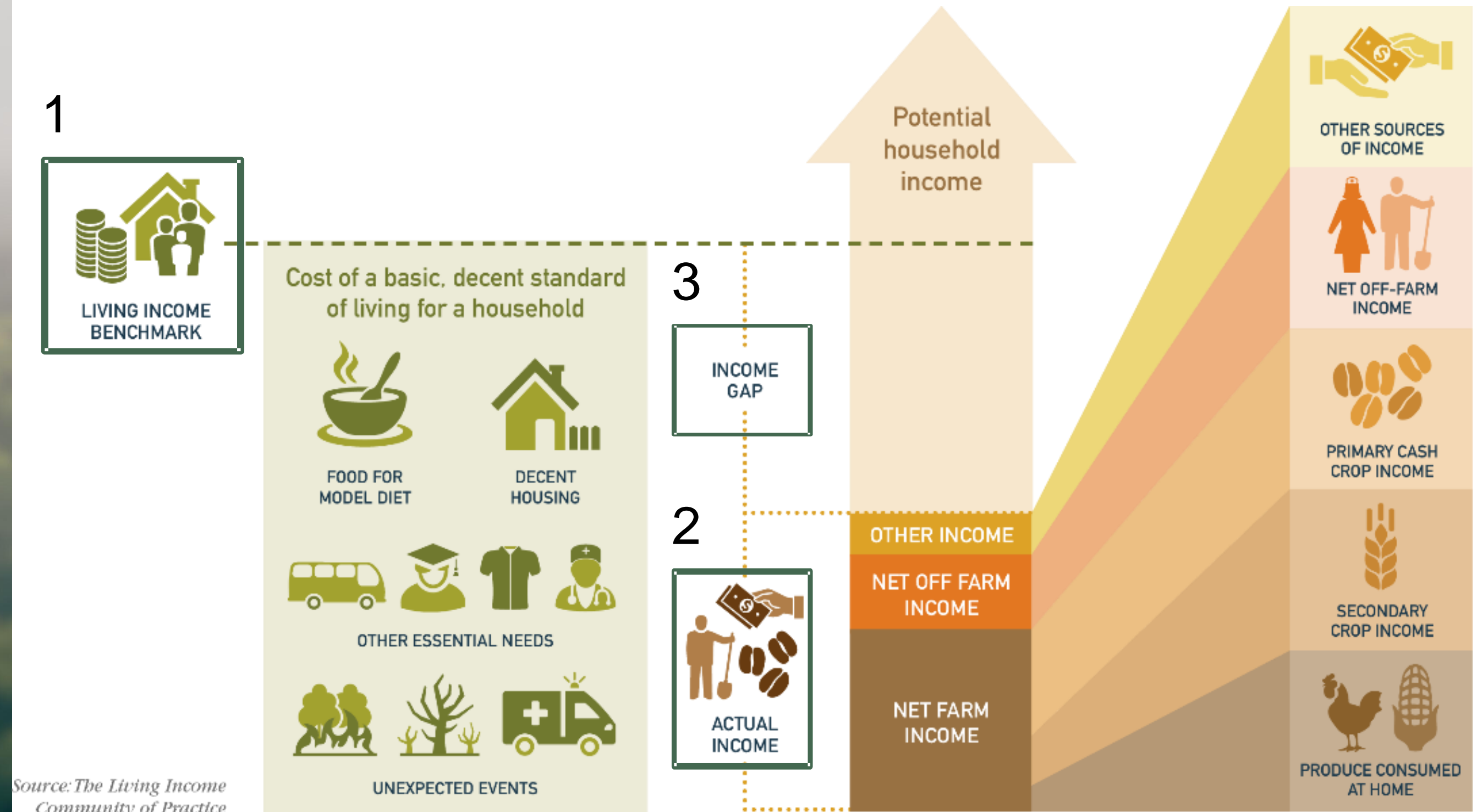
The Living Income
Community of Practice

Living wage applies to an individual worker, in any sector.
Living income applies to a household, usually in an agricultural context.

THE LIVING INCOME STORY

Living income is the income level that would enable a family to afford a **decent standard of living**.

It answers the question: **‘how much does a typical household in a particular place need to earn, from all income sources, in order to live a decent standard of living?’**



Menti question

A living Income Benchmark is an estimate of the cost of all elements of a basic decent standard of living, including:

(Multiple choice) (hide correct answer)

- Healthy diet, water, housing, education, transport, clothing and unexpected events (correct)
- Food, decent housing and water
- Food, decent housing, water, education and healthcare

1. LIVING INCOME: BENCHMARK

A living income benchmark is an estimate of the **cost of a basic and decent standard of living** for a household.



- Based on international norms and local validation of levels for a decent standard of living
- Based on households
- Is specific to a particular place

Cost of a basic, decent standard of living for a household



FOOD FOR MODEL DIET



DECENT HOUSING



OTHER ESSENTIAL NEEDS



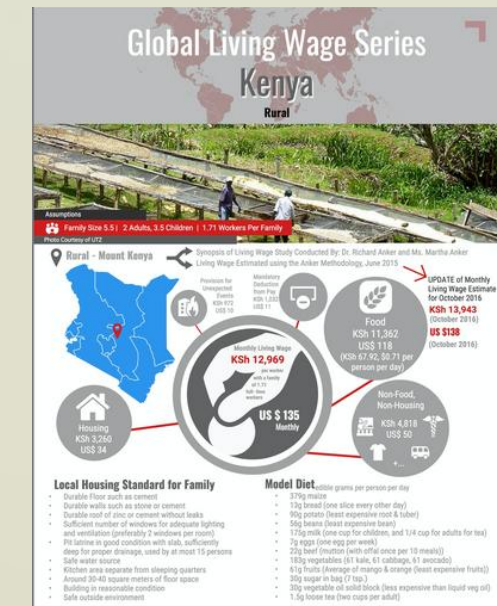
UNEXPECTED EVENTS

WHERE CAN I FIND EXISTING LIVING INCOME BENCHMARKS?

Benchmarks are only half the story. To understand the magnitude of the problem and the progress being made, we also need to know what current worker wages and farmer incomes are.

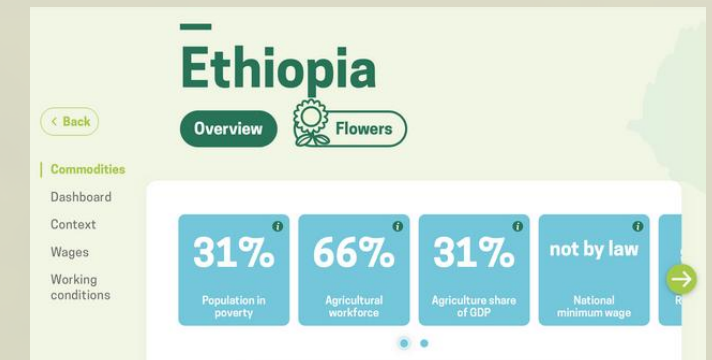
GLOBAL LIVING WAGE COALITION

Living wage estimates available in 26 countries, with application in multiple industries



ALIGN

Website with ambition to eventually host information on all available living income and living wage benchmarks.



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Supported by the
Federal Ministry
for Economic Cooperation
and Development

Implemented by
giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

iseal

SUSTAINABLE
FOOD LAB



The Living Income Community of Practice

Aligned Inclusive Living Income Narrative and Indicators

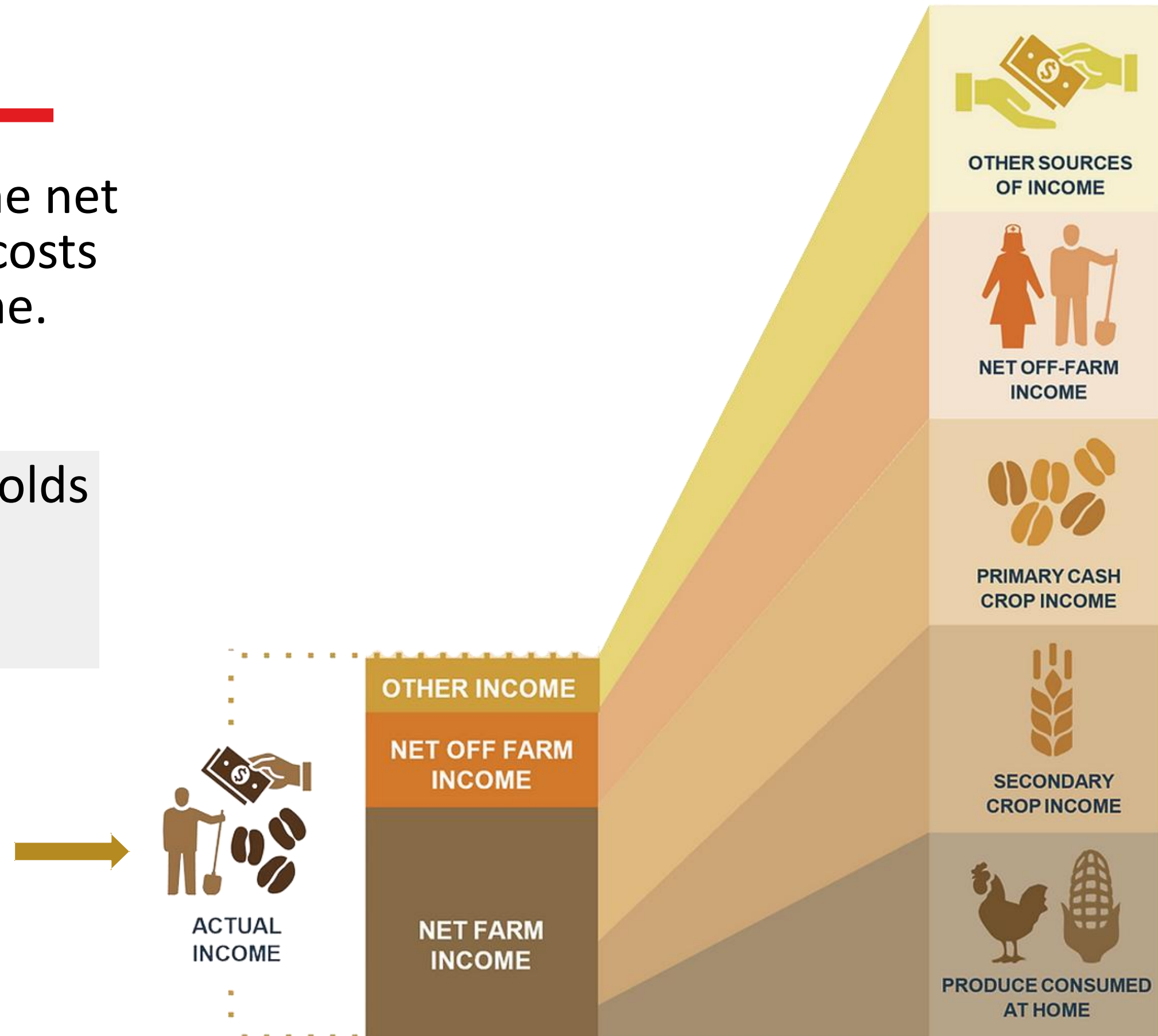
Technical Advisory Committee
Living Income Community of Practice

1. ACTUAL INCOME

Actual household income is the sum of the net incomes across these sources minus the costs associated with the earning of that income.

Evidence shows that smallholder households draw their incomes from a variety of sources.

These can be generally categorized into 3 (which can then be further subdivided)



Menti question

Why is important to understand what the actual income is and the benchmark for my location?

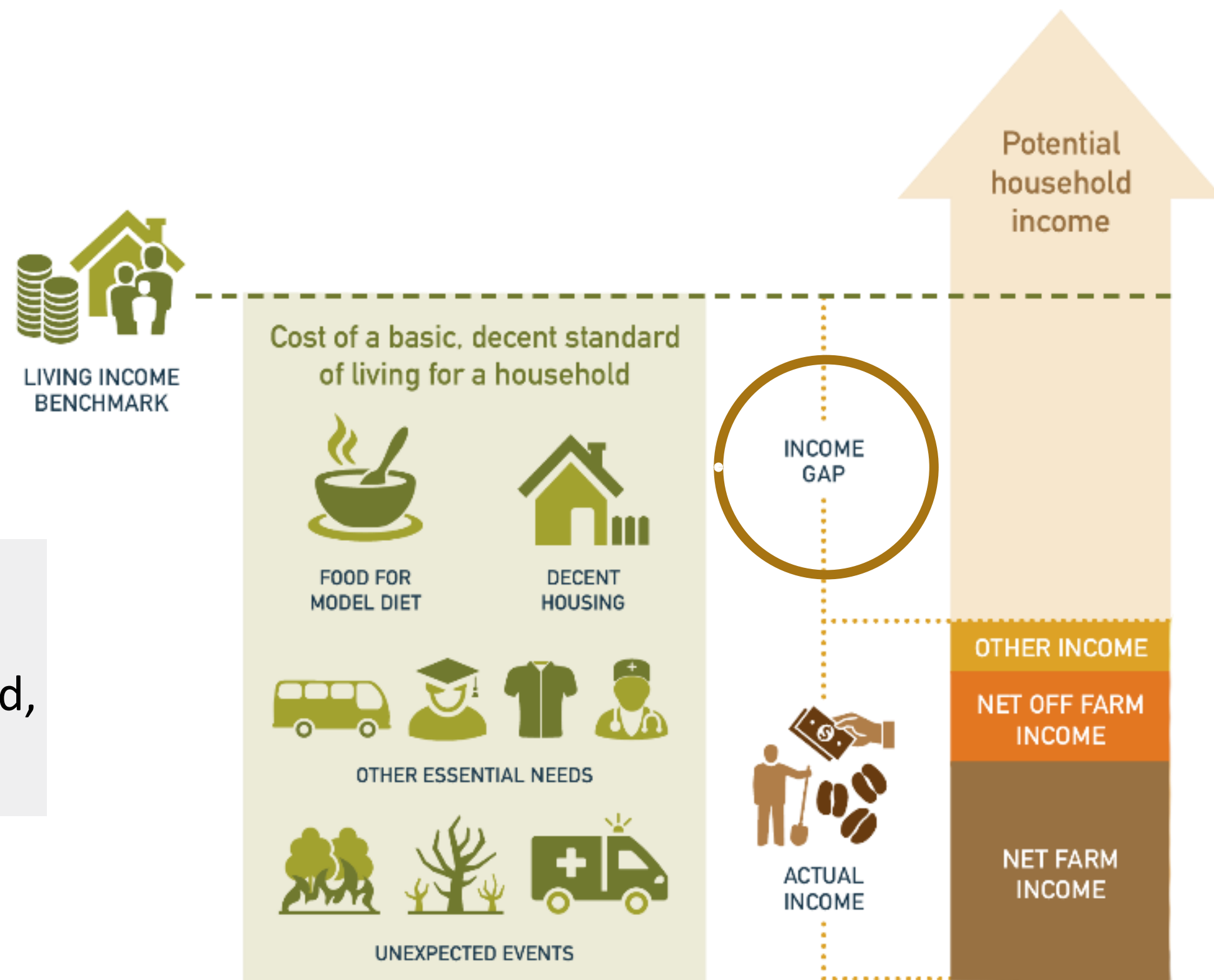
(Multiple choice)

- 1.To understand what the gap is between the benchmark and the actual income (correct)
- 2.To see the reality of farming
- 3.To manage better household economy

3. WHAT IS THE 'INCOME GAP'?

An **income gap** is the difference between the living income benchmark and current income of a typical farming household

Understanding the gap to a living income will help to inform and support action. Closing the income gap requires a multi-pronged, multi-actor strategy.



MEASUREMENT IN A NUTSHELL

01

Find a Benchmark

Find and adjust a relevant benchmark or identify proxies for a living income benchmark



02

Measure Actual Income

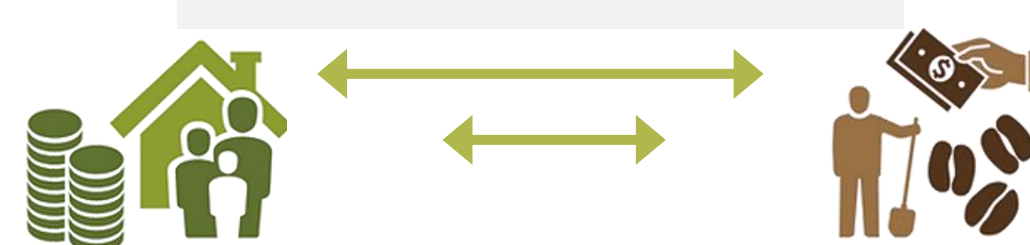
Measure income of farming households (household survey or alternative approach)



03

Asses the income gap

Understanding the gap to a living income will help to inform and support action



Achieving a decent standard of living is more ambitious than poverty reduction, but still just a step in the right direction



TOOLS AND RESOURCES TO SUPPORT YOU



Income Measurement Guidance tool

idh Income measurement guidance tool

This Excel tool is designed to support the customizing comprehensive income measurement focuses on farmers cultivating coffee, cocoa, banana. Here's how it works.

Primary data collection process

The journey below illustrates the various steps involved in primary data collection. This tool supports implementing the data collection process, particularly in steps 2, 3, 4, and 7. Please note that some steps are not applicable to all commodities.

1) Information form

Please fill in the information you want to gather and by which source (via survey or secondary data).

Focus commodity: Coffee
Stakeholder: Tea

Primary data	Additional primary data	Secondary data
Do you require this data? <input type="checkbox"/>	Do you require additional information? <input type="checkbox"/>	Do you want to use secondary data? <input type="checkbox"/>
Description of the data source	Description of the data source	Description of the data source
Do you require this data? <input type="checkbox"/>	Do you require additional information? <input type="checkbox"/>	Do you want to use secondary data? <input type="checkbox"/>

Income measurement survey

You can start making edits and make it:

In case the form on the left is not supported on your Excel version, Copy this entire "Final Survey" sheet by pressing Ctrl+A (or select the Triangle on the Top left and Paste Values only) in a new Blank sheet

Assessment: general	Assessment: specific	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other
Assessment: general	Assessment: specific	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other	Assessment: other

Intake form

This intake form is used to contextualize the survey questions and answer options. It is recommended to complete this form, and other relevant contextual information, before starting the survey. Note that this form does not generate results. Use the information gathered with the intake form and consult column K in the Final Survey.

Sections marked with a * are mandatory for every case. For commodity-specific sections, you may skip the sections that do not apply.

Income driver Calculator

idh Welcome to the Income Driver Calculator (IDC)

IDH works towards better income for smallholder farmers across different sectors and value chains.

Income Driver Calculator

Welcome to the income driver calculator version 2.0

Sign In

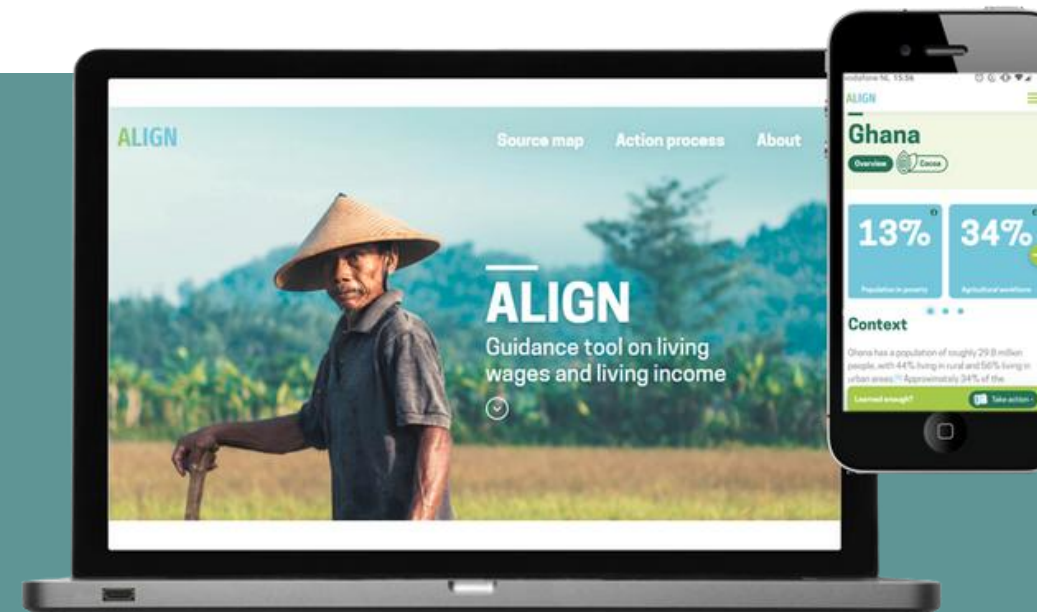
For registration, please reach out to your IDH point of contact or email us at livingincome@idh.org

Other Diversified Income

Income from livestock (USD)	Income from off-farm activities (USD)	Investment and cash transfer (USD)
0.00%	102,317 102,614.7 10.00%	0.00%

ALIGN

ALIGN Tool: Guiding your living wage & living income journey



Subscribe to the ALIGN newsletter here

FAIRFOOD



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TOOLS AND RESOURCES TO SUPPORT YOU

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PUBLICATIONS

NEWSLETTER

NEWS

LIVING INCOME GRAPHICS

GUIDING STEPS TOWARDS
LIVING INCOME IN THE SUPPLY
CHAIN

GOVERNMENT GUIDANCE



Report | Coffee | Actual Incomes | English

Living Income Benchmark and Actual Income Assessment of Coffee Farmers in Bandung District, West Java, Indonesia

The aim of this study is to assess the income needed for farming families to have a decent life in Bandung Regency, West Java province.

Author:
Result+Consulting & GIZ SASCI+

➤ Download 



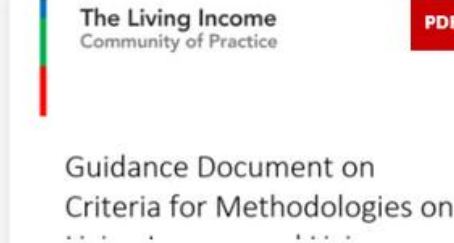
Guidance Document | Coffee | English

Pocket Guide: Achieving Living Income

An introductory guide overviewing the living income concept and tips for coffee stakeholders on how to get started on designing living income approaches and programs in coffee supply chains.

Author:
Sustainable Food Lab,
Sustainable Coffee Challenge

➤ Download 



Guidance Document | Benchmarking | Researchers | English | LICOP Publication

Guidance Document on Criteria for Methodologies on Living Income and Living Wage Estimates

The Technical Advisory Committee (TAC) of LICoP discussed quality criteria that a methodology should fulfill and created a first version of such criteria...

Author:
Living Income Community of Practice Technical Advisory Committee

➤ Download 



Report | Cocoa | English | Researchers

Cocoa household income study approach

A sector-wide approach to assessing the living income status of households in the cocoa sector

Author:
van der Haar, S., Janssen, V.C.J., Diallo, O., Boza, F.B., Diarra, I., Ingram, V., Kouadio, K.A.S., Laven, A., N'dri, A.N., N'guessan, A., Waarts, Y.,

➤ Download 

WWW.LIVING-INCOME.COM



A photograph of terraced rice fields in a valley, with a few people standing on a higher terrace. The scene is illuminated by the warm light of a sunset or sunrise, with a hazy sky and distant hills.

ACTION ON LIVING INCOME

- The roles of the private and public sectors
- Strategies for closing the income gap
- Role of sustainability systems and civil society
- The Living Income Community of Practice

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The roles of the private and public sectors

Government	Reduce the costs of essential needs <ul style="list-style-type: none"> • e.g., school, healthcare, safety net... 	Create enabling conditions for trade <ul style="list-style-type: none"> • e.g., infrastructure, financial access, policies...
Private sector	Sector-wide partnerships and policy lobby <ul style="list-style-type: none"> • E.g., International Coffee Organization 	Pay higher prices and better buying practices <ul style="list-style-type: none"> • e.g., long-term contracts, payment timing... Supply chain investments <ul style="list-style-type: none"> • e.g., training, inputs, processing equipment...

**Reduce
living costs**

**Increase
income**



Cost of a basic, decent
standard of living for
a household



INCOME
GAP



PRIVATE SECTOR LEVERS

INVEST IN YOUR VALUE CHAIN



Can we contribute towards programmes and services that help farmers earn more from their farms (productivity, quality, etc.) and be more resilient?

FARMER SUPPORT PROGRAMMES

- Professional producer organisations
- Farm service delivery
 - access to inputs
 - access to finance
 - market mitigation tools
 - technical assistance
- Women's economic empowerment
- Income diversification

ADAPT YOUR BUSINESS PRACTICES



How do my **trading practices** affect farmers, ability to reach a living income?

How do improved farmer livelihoods benefit my ability to **market my company and products**?

TRADING PRACTICES

- Supplier management
- Pricing and transparency
- Certifications and premiums

MARKETING

- Public reporting
- Consumer engagement
- New product development

COLLABORATE AT SECTOR LEVEL



What are the **structural issues at the sector level** that are preventing my company's supply chain initiatives from being successful?

What are challenges at the **landscape / community** level (watershed management, deforestation) preventing my company's supply chain initiatives from being successful, that I can't address alone?

SECTOR GOVERNANCE

- Sector price mechanisms
- Supply management
- Rural economic development policy

LANDSCAPE / COMMUNITY INTERVENTION

- Watershed / forest protection
- Community based income projects
- Social protection
- Land tenure

STRATEGIES FOR CLOSING THE INCOME GAP



ROLE OF SUSTAINABILITY SYSTEMS AND CIVIL SOCIETY

Standards and Assurance

- Standards requirements
- Accessibility and continual improvement

Capacity building and knowledge sharing

- Training and technical support to producers
- Producer networks

Premiums and Prices

- Fixed and negotiated premiums
- Reference price

Access to finance

- Access to funds
- Linkage to financial services

Advocacy and Influence

- Engagement with public sector
- Influencing corporate behavior

Convening and partnerships

- Building platforms for dialogue and action
- Multi-stakeholder partnerships or 'task forces'

Few sustainability systems have LI requirements in their standard

Most organisational strategies address enabling factors, but increasingly there is also support for living income programs

Strongly positioned to facilitate market access, strengthen producer groups and their capacity, convene collaborations and advocate locally and internationally

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Living Income Community of Practice is open to any entity committed to learning on the topic of Living Income and improving livelihoods of smallholder farmers

The Living Income Community of Practice Objectives



Increase understanding of living income measurement and the income gap



Identify and discuss strategies for closing the income gap



Share learning and facilitate collaboration between actors

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Share & Host News and Events:

In-person and virtual events, as well as newsletter that provide dialogue spaces for emerging issues, cross sector and multi-stakeholder learning.



Create Tools & Resources:

We create toolkits, graphics, slides, measurement guidance documents. We coordinate funding and consultations for new living income Benchmarks and income gap assessments.



Facilitate Technical & Advisory Committees:

We convene leaders and experts to identify the high leverage focus topics; and to debate key methodological issues for creation of aligned guidance on key topics related to Living Income.



Facilitate & Provide Strategic Advisory:

Partners from GIZ, ISEAL and SFL provide guidance to multi-stakeholder groups and sector initiatives, in order to align methods and find synergies across sectors.

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Living Income Concept
born from Living Wage
(2015)

- Creation of space for Living Income discussion.
- Clarity on the core elements of Living Income.
- Guidance on benchmarks, measuring actual incomes and strategies to close the gap established

Living Income
Becomes Mainstream
(2020)

- Creation of toolkits, guidance documents and other materials related to Living Income to help disseminate the concept to various stakeholders.
- Continued space for Living Income discussion between stakeholder groups and across sectors.

Living Income is
Institutionalized
(2024 and beyond)

- Expanding awareness and elevating voices from new geographies and key actors (producers, cooperatives and governments).
- Maintaining alignment with other initiatives and global goals






















Improved
Livelihoods and
Ensuring a Decent
Standard of Living
for all

Menti question

What specific topics would you like to explore further in future events?

(Text)

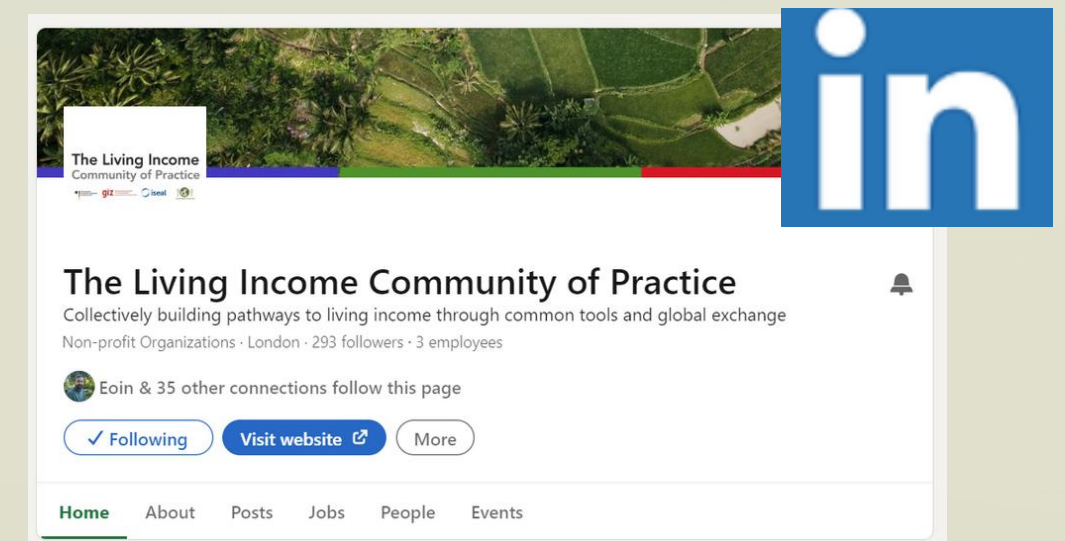
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	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
 Webinar Series: Building a strong foundation		 20 March Living Income 101	 7 April Living Income Measurement Approaches	 28 May Concept Application & Sector Work			 7 Aug Living Income 101	 September Living Income Measurement Approaches	 October Living Income Strategies to close the gap		
 Webinar Series: Strengthening Due Diligence	 27 Feb Due Diligence for Living Income					 July Responsible Business Contracts & Purchasing practices for Living Income		 September Stakeholder Engagement: Due Diligence in Living Income			
 Webinars Series: Right conditions				 May Strategies on Producer Empowerment	 June Gender Inclusive Living Income Strategies				 October Retailers Work on Living Income		 11 December Linking Environment & Livelihoods Resilience
 Workshops					 11 June Virtual Workshop					 3-7 November In-Person Workshop	

The Living Income Community of Practice

To join this community, we invite you to follow us on our social media and sign up to our mailing list

For regular updates, news and relevant events. Follow us in LinkedIn



Sign up to our mailing list to be kept informed of all upcoming webinars, activities and new resources.





www.living-income.com

Visit our website to get access to past events and relevant resources



To join this community, we invite you to follow us on our social media and sign up by clicking on the form.






The Living Income
Community of Practice

giz iscat

The Living Income Community of Practice

Collectively building pathways to living income through common tools and global exchange

Non-profit Organizations · London · 293 followers · 3 employees

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* indicates required

First Name *

Last Name *

Email Address *

Organisation *

Country *

Organisation Sector

☐ Cocoa

☐ Coffee

☐

UPCOMING LICOP EVENTS



Webinar Series: Building a strong foundation

- 🎯 **20 March** - Living Income 101: Essential concepts and practical insights
- 🎯 **7 April** - Living Income Measurement Approaches: How do you measure living income, what are key measurement decisions, and how do you best communicate progress?
- 🎯 **28 May** - Concept Application & Sector Work: How is living income being applied across the cocoa, coffee, and palm sectors, and what can we learn from their challenges and successes?



Measurement Approaches in Living Income

The Living Income
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Virtual | Upcoming |
Tools & Measurement | Other |
English

Measurement Approaches in Living Income

April 2025

[➤ Go to the webinar](#)



Living Income Across Sectors: *Insights from Cocoa, Coffee, and Palm*

The Living Income
Community of Practice

Virtual |
Strategies for closing the Income Gap |
Coffee | Other | English | Cocoa

Living Income Across Sectors: Insights from Cocoa, Coffee, and Palm

May 2025

[➤ Go to the webinar](#)

UPCOMING LICOP EVENTS



The Living Income
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Living Income Virtual Workshop 2025

Pathways to Income Improvement in Asia:
Addressing Barriers and Unlocking Opportunities

Wednesday, June 11th

09:00 - 11:00 am United Kingdom | 1:30 - 2:00 pm India | 3:00 - 5:00 pm Indonesia and Vietnam



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