

PAYING A LIVING WAGE

Examine your institution's wages to determine whether you pay a living wage. A living wage is sufficient to provide minimally satisfactory living conditions for the employee in the location where s/he lives. This means that, based on his/her basic pay (excluding bonus and incentive pay), an employee can afford safe housing, sufficient food, clothing, and transportation necessary to perform their workplace and personal duties. Your institution can determine the living wage using relevant collective bargaining agreements as a good indicator. When in doubt, conduct a simple study on the cost of living by interviewing employees. Remember that the living wage is not a static amount, particularly in countries with high inflation. Each year, examine whether salaries are still responsible, given changes in the cost of living.

Pay special attention to front-line employees are the backbone of a financial service provider, but their salary level is often among the lowest in the organization. Offering decent work conditions implies that the provider pays front-line employees either the national minimum wage, or, if the country a) does not have a minimum wage or b) the minimum wage is too low to meet basic needs, then then provider should pay what it has defined as a "living wage" in the local context.