



# Living Income Benchmark Methodology



Heifer International is on a mission to end global hunger and poverty in a sustainable way. We invest in farmers and business owners around the world, because we know having a secure source of income can be truly transformational for families and their communities. We work towards this goal by supporting households to earn a living income. A living income means thriving, not just surviving.

**Living Income is the amount of money every person in a household needs per day to live a dignified life.**

During the project design phase, we determine the living income gap the project needs to address by calculating benchmarks and actual income. Our approach is based on the Anker methodology and builds on the work of academics, international NGOs, and the Living Income Community of Practice to achieve agreed-upon standards.

The living income benchmark calculation has been customized to capture the unique needs of Heifer International’s project participants.

## What is included in Heifer’s living income calculations?

Household needs are captured across four categories: low-cost and nutritious diet, decent housing, other basic needs, and unexpected costs. To calculate per capita living income benchmarks we then divide the household living income benchmark by the average number of family members in the project area. Living income is the amount of money every person in a household needs per day to live a dignified life.

A nutritious diet includes 11 food groups that provide sufficient calories, and macro and micronutrients. Decent housing includes basic shelter, adequate amount of space, and other housing criteria deemed necessary to live a dignified life. Other basic needs encompass education, healthcare, transportation, clothing, communication and cultural events. Unexpected costs account for a minimal level of savings project participants need to withstand shocks and unanticipated expenses.

## How are living income benchmarks calculated?

Benchmarks are calculated for all new projects unless a benchmark has been established for the area within six months of the project start date.

To calculate a living income benchmark, we first conduct a desktop review of secondary data, for food, housing and other costs. We then collect primary data, via focus group discussions and market pricing analysis, to revise and validate the findings.

Heifer International’s two-step living income benchmark process contextualizes existing data for the food basket, prices of goods, services, and cultural practices, as observed through primary data collection in project areas. When assessing the income status of households, we also take the World Bank’s International Poverty Line into consideration.

Benchmarks are revised at least every five years with new primary data collection. We continue to update our processes to determine when and where new living income benchmarks are required.

For more information, email [MERL@heifer.org](mailto:MERL@heifer.org)

# Regional Living Income Benchmarks Per Person in Each Household

Heifer International calculates living income benchmarks in the 18 countries in which it works. Some country have more than one benchmark, representing regional variations.

Heifer International focuses on transformational change at the household level. These living income benchmarks are for individuals in rural households.

Heifer International must be referenced as the source when using these living income benchmarks.

