

Key results

“Average worker earnings (AW)” is an important metric as all pension modelling results are presented as multiples of this measure. The average worker earnings for all OECD countries averaged USD 40 007 in 2014.

Table 8.5 reports average worker earnings levels according to the OECD’s average worker wage (AW) measure for the year 2014. Earnings are defined as gross wages before deductions of any kind (including personal income taxes and social security contributions), but including overtime pay and other cash supplements paid to employees.

Average worker earnings are displayed in national currencies and in US dollars (both at market exchange rates and at purchasing power parities, PPP). The PPP exchange rate adjusts for the fact that the purchasing power of a dollar varies between countries: it allows for differences in the price of a basket of goods and services between countries. *The Economist* regularly produces a popular and easy-to-understand version of PPP – the “Big-Mac” index – which shows how currencies differ from the level that would mean the burger cost the same worldwide (see www.economist.com/content/big-mac-index?fsrc=PS/cemea/gg/gen/big-mac-index).

Average worker earnings across the OECD countries averaged USD 40 007 in 2014 at market exchange rates. At PPP average earnings averaged USD 40 548. The higher figure for PPP earnings suggests that many OECD countries exchange rates with the US dollar were lower than the rate that would equalise the cost of a standard basket of goods and services.

Average earnings for the other major economy countries are not based on the average worker earnings

definition or another consistent basis as such a series is unfortunately not available. Data have been collected from national sources and thus vary between average individual income, average covered wage and average wage for a particular group of workers as available.

Definition and measurement

The “average worker” earnings series (AW) was adopted from the second edition of *Pensions at a Glance* (OECD, 2007). This concept is broader than the previous benchmark of the “average manual production worker” (APW) because it covers more economic sectors and includes both manual and non-manual workers. The new AW measure was introduced in the OECD report *Taxing Wages* and also serves as benchmark for *Benefits and Wages*. The third edition of *Pensions at a Glance* (OECD, 2009) also included a comparison of replacement rates under the old and new measures of earnings for eight countries where the results were significantly different.

Further reading


D’Addio, A.C. and H. Immervoll (2010), “Earnings of Men and Women Working in the Private Sector: Enriched Data for Pensions and Tax-Benefit Modelling”, OECD Social, Employment and Migration Working Paper, No. 108, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5km7smt2r7d2-en>.

8.5. Average worker earnings (AW), 2014

National currency and USD at market price and purchasing-power-parity exchange rates

	OECD measures of average earnings			Exchange rate with USD	
	National currency	USD, market exchange rate	USD, PPP	Market rate	PPP
OECD members					
Australia	79 689	65 195	51 746	1.22	1.54
Austria	42 573	51 557	50 986	0.83	0.84
Belgium	46 464	56 269	55 447	0.83	0.84
Canada	49 481	42 689	39 270	1.16	1.26
Chile	7 018 884	11 588	18 919	605.69	371.00
Czech Republic	312 084	13 637	23 465	22.89	13.30
Denmark	397 484	64 654	52 369	6.15	7.59
Estonia	12 436	15 060	22 050	0.83	0.56
Finland	42 910	51 965	45 697	0.83	0.94
France	37 427	45 325	45 148	0.83	0.83
Germany	45 952	55 649	58 389	0.83	0.79
Greece	20 168	24 424	32 217	0.83	0.63
Hungary	3 009 284	11 526	22 798	261.10	132.00
Iceland	6 856 100	53 779	48 972	127.49	140.00
Ireland	34 466	41 739	40 982	0.83	0.84
Israel	130 605	33 466	32 570	3.90	4.01
Italy	30 463	36 891	40 188	0.83	0.76
Japan	4 881 994	40 765	46 495	119.76	105.00
Korea	39 800 000	36 457	46 441	1 091.70	857.00
Luxembourg	54 560	66 074	60 623	0.83	0.90
Mexico	101 904	6 912	12 706	14.74	8.02
Netherlands	48 856	59 165	59 219	0.83	0.83
New Zealand	54 733	42 718	37 233	1.28	1.47
Norway	542 386	72 602	57 395	7.47	9.45
Poland	42 360	11 978	23 148	3.54	1.83
Portugal	17 436	21 115	29 653	0.83	0.59
Slovak Republic	10 342	12 525	20 561	0.83	0.50
Slovenia	17 851	21 618	29 555	0.83	0.60
Spain	26 162	31 683	38 701	0.83	0.68
Sweden	407 974	52 272	45 584	7.80	8.95
Switzerland	90 522	91 179	66 074	0.99	1.37
Turkey	28 370	12 164	23 642	2.33	1.20
United Kingdom	35 633	55 539	50 329	0.64	0.71
United States	50 075	50 075	50 075	1.00	1.00
OECD34		40 007	40 548		
Other major economies					
Argentina	135 492	16 006		8.47	
Brazil	19 312	7 267	11 564	2.66	1.67
China	56 339	9 077	15 393	6.21	3.66
India	80 338	1 271	4 539	63.19	17.70
Indonesia	17 200 000	1 385	4 363	12 422	3 942.00
Russian Federation	391 920	6 691	20 519	58.57	19.10
Saudi Arabia	183 989	49 020		3.75	
South Africa	144 627	12 525	27 084	11.55	5.34

Note: AW = Average worker wage; PPP = Purchasing power parity. Average earnings are rounded to the nearest 100 and exchange rates rounded to decimal places. The market exchange rate used is from the 31-12-2014.

StatLink  <http://dx.doi.org/10.1787/888933301218>



From:
Pensions at a Glance 2015
OECD and G20 indicators

Access the complete publication at:
https://doi.org/10.1787/pension_glance-2015-en

Please cite this chapter as:

OECD (2015), "Average worker earnings", in *Pensions at a Glance 2015: OECD and G20 indicators*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/pension_glance-2015-29-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.