

### Key results

“Average wage (AW)” is an important metric as all pension modelling results are presented as multiples of this measure. The average for all OECD countries was USD 39 178 in 2020 and USD 46 520 in PPP terms.

Table 7.5 reports the OECD’s full-time average wage (AW) levels for the year 2020. The wage 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 wages 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.

Wage earnings across the OECD countries averaged USD 39 178 in 2020 at market exchange rates. Switzerland has the highest level at USD 93 049. This is over 20 times the level recorded in Colombia, at USD 4 339, and 15 times that of Mexico at USD 6 105.

At PPP wages averaged USD 46 520. Switzerland is again highest amongst OECD countries, at USD 76 377, with, Germany, Norway and Luxembourg next at USD 69 968, USD 67 438 and USD 67 162 respectively. Colombia is again the lowest, at USD 11 861, followed by Mexico at USD 13 799. The higher figure for PPP wages 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 wages for the other major economies are not based on the average wage definition or another consistent basis as such series are 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. The figures used range from a low of USD 2 024 in India to a high of USD 26 614 in Saudi Arabia, at market exchange rates.

Between 2019 and 2020, the impact of COVID-19 on wage figures varied considerably. In Colombia, for example, the average wage, in national currency, decreased by 13%, but it increased by more than 5% in Hungary, Lithuania and the United States, and 21% in Turkey (Figure 7.5). Across the OECD as a whole wages increased slightly by an average of 0.6%, while it had increased by 4.0% on average per year since 2000.

### Definition and measurement

The “average worker” earnings series (AW), defined as the average full-time adult gross wage earnings, was adopted from the second edition of *Pensions at a Glance* (OECD, 2007[2]). 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[3]) also included a comparison of replacement rates under the old and new measures of earnings for eight countries where the results were significantly different.

Table 7.5. Average wage (AW), 2020

	OECD measures of average wages			Exchange rate, national currency per USD	
	National currency	USD, market exchange rate	USD, PPP	Market rate	PPP
Australia	90 861	62 530	62 166	1.45	1.46
Austria	48 658	55 577	64 027	0.88	0.76
Belgium	47 720	54 506	63 287	0.88	0.75
Canada	57 292	42 718	47 819	1.34	1.20
Chile	10 279 535	12 967	24 423	792.73	420.90
Colombia	16 033 240	4 339	11 861	3 694.85	1 351.78
Costa Rica	9 360 000	16 003	27 413	584.90	341.44
Czech Republic	402 261	17 331	31 320	23.21	12.84
Denmark	437 094	66 812	65 626	6.54	6.66
Estonia	16 637	19 002	31 219	0.88	0.53
Finland	45 719	52 220	53 498	0.88	0.85
France	38 188	43 618	51 569	0.88	0.74
Germany	52 104	59 513	69 968	0.88	0.74
Greece	21 139	24 145	38 749	0.88	0.55
Hungary	5 011 590	16 272	34 406	308.00	145.66
Iceland	9 247 101	68 284	64 167	135.42	144.11
Ireland	46 685	53 324	57 211	0.88	0.82
Israel	157 093	45 635	42 619	3.44	3.69
Italy	30 233	34 532	45 190	0.88	0.67
Japan	5 185 181	48 562	50 141	106.77	103.41
Korea	46 020 316	38 991	52 954	1 180.28	869.06
Latvia	12 913	14 749	26 249	0.88	0.49
Lithuania	16 426	18 761	36 481	0.88	0.45
Luxembourg	58 040	66 293	67 162	0.88	0.86
Mexico	131 163	6 105	13 799	21.49	9.51
Netherlands	54 843	62 641	68 994	0.88	0.79
New Zealand	64 150	41 600	43 965	1.54	1.46
Norway	627 370	66 603	67 438	9.42	9.30
Poland	60 915	15 620	33 633	3.90	1.81
Portugal	19 478	22 247	33 921	0.88	0.57
Slovak Republic	13 200	15 077	24 755	0.88	0.53
Slovenia	20 424	23 329	35 931	0.88	0.57
Spain	26 934	30 764	43 130	0.88	0.62
Sweden	465 767	50 570	52 317	9.21	8.90
Switzerland	87 363	93 049	76 377	0.94	1.14
Turkey	74 751	10 666	35 375	7.01	2.11
United Kingdom	41 807	53 599	58 369	0.78	0.72
United States	60 220	60 220	60 220	1.00	1.00
OECD		39 178	46 520		
Argentina	586 615	8 316	28 320	70.54	20.71
Brazil	27 696	5 372	11 985	5.16	2.31
China	100 000	14 491	23 805	6.90	4.20
India	150 000	2024	7 026	74.10	21.35
Indonesia	28 774 200	1973	6 159	14 582.20	4 671.89
Russian Federation	480 000	6 657	19 795	72.10	24.25
Saudi Arabia	99 802	26 614	56 403	3.75	1.77
South Africa	150 000	9 106	21 903	16.47	6.85

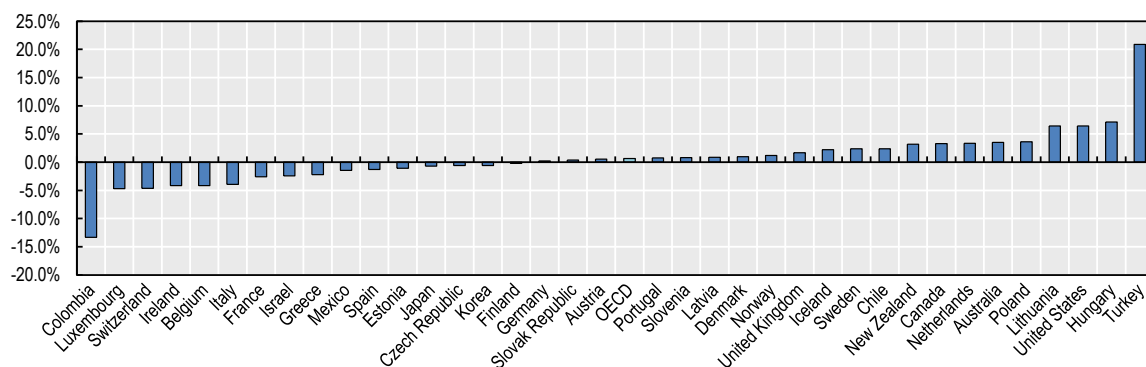
Note: USD = the United States of America Dollar, PPP = purchasing power parity.

Source: OECD (2021[4]), *Taxing Wages 2021*, <https://dx.doi.org/10.1787/83a87978-en> and OECD's National Accounts Database.

StatLink  <https://stat.link/f2v8ds>

Figure 7.5. Change in average wage, national currency

Percentage change in average wage between 2019 and 2020



Source: OECD (2020[5]), *Taxing Wages 2020*, <https://dx.doi.org/10.1787/047072cd-en>; OECD (2021[4]), *Taxing Wages 2021*, <https://dx.doi.org/10.1787/83a87978-en>.

StatLink  <https://stat.link/tnfpj2>

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