

Average wage

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 41 261 in 2020 and USD 52 884 in PPP terms.

Table 7.5 reports the OECD’s full-time average wage (AW) levels for the year 2022. 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 41 261 in 2022 at market exchange rates. Switzerland has the highest level at USD 103 142. This is over 23 times the level recorded in Colombia, at USD 4 443, and nearly 15 times that of Mexico at USD 6 962.

At PPP, wages averaged USD 52 884. Switzerland’s levels remain the highest amongst OECD countries, at USD 93 620, with, Luxembourg, Iceland and Belgium next at USD 83 143, USD 76 768 and USD 76 416 respectively. Mexico is the lowest, at USD 13 503, followed by Colombia at USD 13 593. 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 have been sourced from the latest ILO Global Wage Report (ILO, 2022). The wages range from a low of USD 2 481 in Indonesia to a high of USD 21 069 in Saudi Arabia, at market exchange rates.

Between 2021 and 2022 nominal wages increased in every country, and by an average of 7.0% in the OECD on average (Figure 7.5). This is about 4 percentage points below average CPI inflation, which ranges from 2.5% in Japan to 72% in Türkiye. This means that wages fell in real terms except in Colombia and Hungary while average real wages were basically flat in France, Luxembourg, New Zealand, Poland and Switzerland.

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). 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

ILO (2022), *Global wage report 2022-23 : the impact of inflation and COVID-19 on wages and purchasing power*, International Labour Organization, <https://doi.org/10.54394/zlfq5119>.

OECD (2023), *Purchasing Power Parities - Frequently Asked Questions (FAQs)*, OECD, Paris, <https://www.oecd.org/sdd/prices-ppp/purchasingpowerparities-frequentlyaskedquestionsfaqs.htm>.

OECD (2023), *Taxing Wages 2023: Indexation of Labour Taxation and Benefits in OECD Countries*, OECD Publishing, Paris, <https://doi.org/10.1787/8c99fa4d-en>.

OECD (2009), *Pensions at a Glance 2009: Retirement-Income Systems in OECD Countries*, OECD Publishing, Paris, https://doi.org/10.1787/pension_glance-2009-en.

Table 7.5. Gross average wage (AW), 2022

	OECD measures of average wages			Exchange rate, national currency per USD	
	National currency	USD, market exchange rate	USD, PPP	Market rate	PPP
Australia	94 685	65 678	66 714	1.44	1.42
Austria	52 666	55 460	72 273	0.95	0.73
Belgium	55 332	58 267	76 416	0.95	0.72
Canada	81 163	62 359	66 254	1.30	1.23
Chile	11 492 895	13 160	25 919	873.31	443.42
Colombia	18 908 349	4 443	13 593	4 256.19	1 391.00
Costa Rica	10 140 000	15 669	29 587	647.14	342.72
Czechia	472 783	20 242	36 579	23.36	12.93
Denmark	468 195	66 165	73 102	7.08	6.40
Estonia	19 996	21 057	34 706	0.95	0.58
Finland	50 774	53 468	62 450	0.95	0.81
France	41 540	43 744	59 259	0.95	0.70
Germany	55 041	57 961	75 573	0.95	0.73
Greece	19 912	20 968	37 255	0.95	0.53
Hungary	6 328 111	16 984	38 549	372.60	164.16
Iceland	10 959 626	81 014	76 768	135.28	142.76
Ireland	54 649	57 548	70 196	0.95	0.78
Israel	172 609	51 378	46 536	3.36	3.71
Italy	33 855	35 651	54 131	0.95	0.63
Japan	5 154 009	39 195	52 822	131.50	97.57
Korea	49 775 096	38 542	59 830	1 291.45	831.94
Latvia	16 758	17 647	32 269	0.95	0.52
Lithuania	20 667	21 763	42 425	0.95	0.49
Luxembourg	70 189	73 913	83 143	0.95	0.84
Mexico	140 125	6 962	13 503	20.13	10.38
Netherlands	57 513	60 564	75 267	0.95	0.76
New Zealand	70 588	44 756	48 204	1.58	1.46
Norway	666 115	69 285	74 996	9.61	8.88
Poland	72 945	16 364	38 645	4.46	1.89
Portugal	25 725	27 090	46 259	0.95	0.56
Slovak Republic	15 538	16 362	28 832	0.95	0.54
Slovenia	23 332	24 569	41 730	0.95	0.56
Spain	28 360	29 865	46 629	0.95	0.61
Sweden	494 513	48 893	56 510	10.11	8.75
Switzerland	98 483	103 142	93 620	0.95	1.05
Türkiye	137 340	8 299	29 112	16.55	4.72
United Kingdom	44 300	54 604	65 027	0.81	0.68
United States	64 889	64 889	64 889	1.00	1.00
OECD		41 261	52 884		
Argentina	839 544	6 428	19 652	130.62	42.72
Brazil	32 235	6 242	12 741	5.16	2.53
China	114 029	16 925	28 352	6.74	4.02
India	204 204	2 598	8 487	78.60	24.06
Indonesia	36 849 072	2 481	7 468	14 849.85	4 934.26
Saudi Arabia	79 008	21 069	44 263	3.75	1.78
South Africa	297 936	18 216	41 789	16.36	7.13

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

Source: OECD (2023), *Taxing Wages 2023*, <https://doi.org/10.1787/8c99fa4d-en>, ILO (2022) Global wage report 2022-23, <https://doi.org/10.54394/zlfg5119>, and OECD's National Accounts Database.


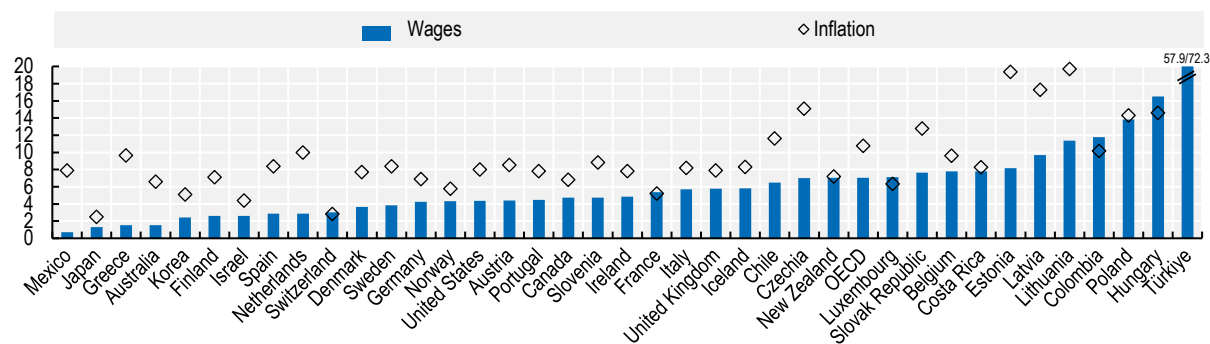
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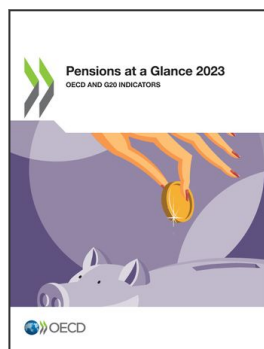
Figure 7.5. Change in average wage, national currency

Percentage change in average wage between 2021 and 2022, with annual inflation for reference



Source: OECD (2023), *Taxing Wages 2023*, <https://doi.org/10.1787/8c99fa4d-en>. Consumer prices annual inflation sourced from OECD.Stat.

StatLink  <https://stat.link/9koxw5>



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