



BSR

Rethinking Risk: Addressing the Living Wage Gap in the US

Webinar

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Webinar Agenda

1. The Living Wage Landscape in the U.S.
2. Current Company Practices
3. Next Steps



Webinar Speakers



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01

The Living Wage Landscape in the U.S.

Living Wage

*“The wage level necessary to **afford a decent standard of living for workers and their families**, taking into account country circumstances and calculated for work performed during normal hours.”*

- Living Wage as defined by the International Labour Organisation (ILO), March 2024



Living Wage as a Global Business Issue



300M

workers continue to live in extreme poverty.



170+

countries set minimum wages, but many fall short of a decent living.



1 in 3

workers cannot afford a decent standard of living.



US\$4.6T

annual GDP gain from closing the living wage gap.

The United States as a High-Risk Market

The U.S. wage growth is not keeping pace with affordability along with staggering wealth inequality distribution amongst its high-income peers.

KEY RISK INDICATORS



THE U.S. HAS THE HIGHEST INEQUALITY AMONG G7

The U.S. has the highest Gini coefficient among G7 nations, signaling the most unequal income distribution in the group. This gap is visible in the labor market: the top one percent earn about 40 times more than the bottom 90 percent, while roughly 33 million workers earn less than US\$10 per hour.



INCOME INEQUALITY IS HIGHEST AMONG PEER NATIONS

According to OECD data, income inequality is highest among Latin American countries, Turkey, and the United States, placing the U.S. at the bottom of its peer group among high-income nations.



LOW WAGES DECLINED FOR WORKERS IN 2025

Low-wage worker (inflation-adjusted) wages declined in 2025, which was a sharp reversal from the historically fast wage growth experienced over the previous five years. However, middle- and high-wage workers experienced modest gains comparatively.

What Makes the U.S. Wage Landscape Distinct

Federal wage floor is outdated

- The U.S. has a minimum wage but is not indexed to inflation and has been unchanged since 2009, making it the longest stretch without an increase and now considered to be a “poverty” wage.

Wage policy is fragmented

- State and local jurisdictions increases and stagnations create a patchwork of worker protections and uneven expectations. In 2026, 88 jurisdictions are expected to raise wage floors while 20 states will keep their threshold at the federal level.

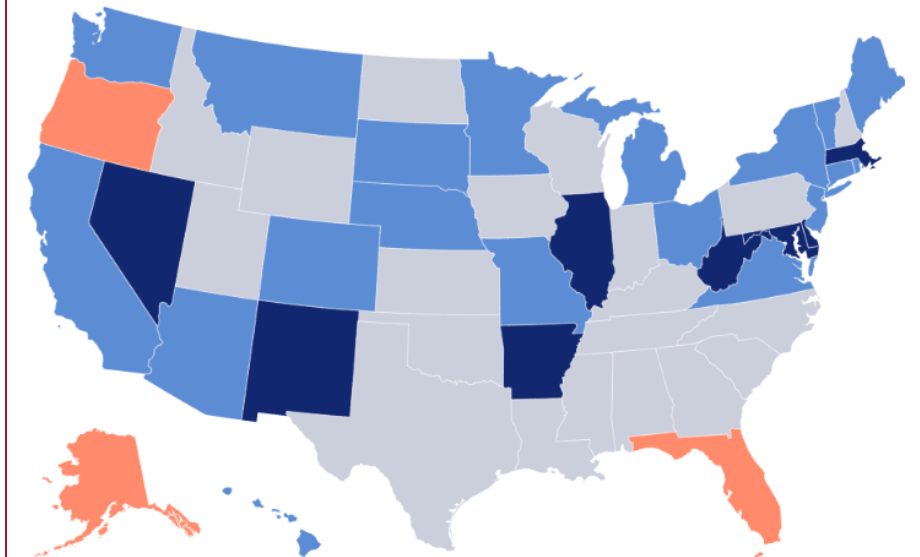
Local affordability is the real test

- Minimum wage policy wage alone does not capture whether workers can meet the cost of living in their communities. Nearly half of people do not have enough resources to cover essential expenses to live securely in their communities.

Minimum Wage by State After 2026 Increases

Tap or hover on any state to see what the minimum wage will be after any 2026 changes.

■ Raised before 2026 ■ Increased Jan. 1 ■ Increasing later in 2026 ■ Holding at \$7.25 Federal minimum



Washington, D.C.'s minimum wage of \$17.95 will be increased for inflation on July 1, 2026.

Map: Investopedia / Sabrina Karl • Source: National Employment Law Project.

Investopedia

\$7.25 AN HOUR
The current U.S. federal minimum wage.

Image Source: [Investopedia](#)

Affordability as a Pervasive U.S. Issue

©CBS NEWS

Millions of Americans skip meals, stretch medication to afford health care

Investopedia

Child Care Is Eating 20% of Family Income—Forcing Parents to Drain Savings and Delay Big Purchases

The Washington Post

Housing costs squeeze owners and renters alike, outpacing inflation

The Washington Post

Bipartisan lawmakers pitch new plan for affordability crunch

The 45-member Problem Solvers Caucus wants to put pressure on their peers in the House to take action on costs.

The Guardian

Workers at top 20 US low-wage firms rely on public assistance, report says

REUTERS

Cost-of-living worries haunt Americans ahead of midterms, Reuters/Ipsos poll finds

Living Wage is a Cross-Stakeholder Priority

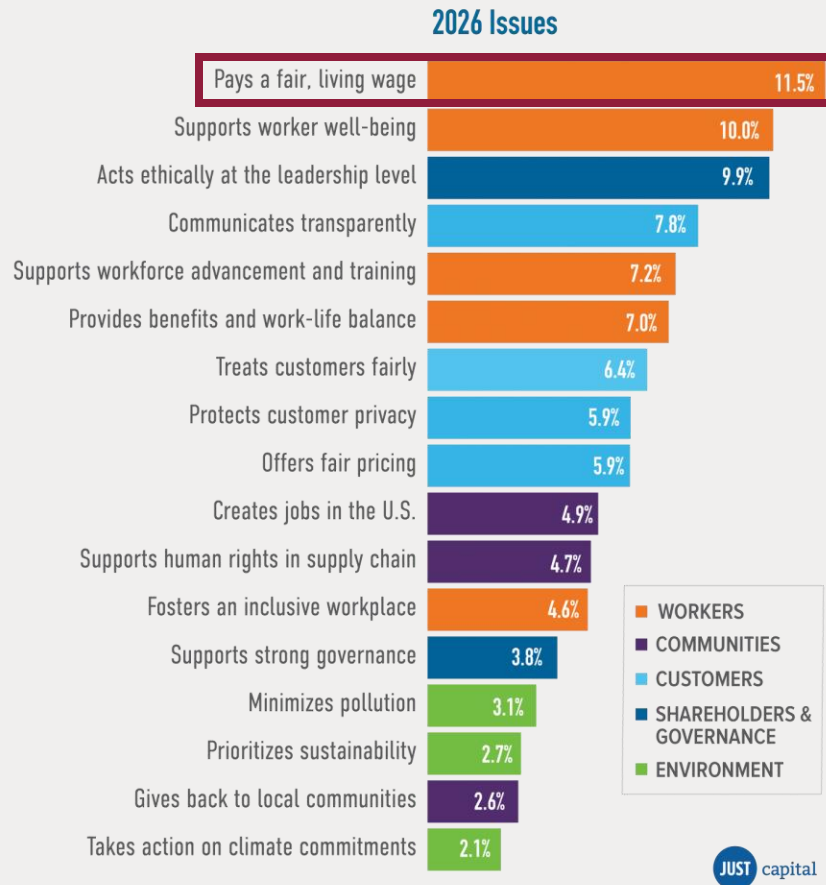


Image Source: [Just Capital](#)

Over the past seven years, Americans have **ranked living wage first** across nearly every demographic.

Among trends in regard to worker strikes and lockouts across the U.S., pay continues to be the most common demand.

LABOR ACTION BY DEMAND

The most common demands in 2025 were increased pay, securing a first contract, and improved healthcare benefits.

2025 Demands

Demand	Work Stoppages	Approximate Number of Workers	Strike Days
Pay	195	192,778	3,376,616
First Contract	70	19,830	432,824
Healthcare	66	150,792	1,264,542

Image Source: [Cornell University](#)

A statement endorsed by over 130 investors cite how addressing living wage gaps advance business resilience.

INVESTOR SUPPORT FOR A LIVING WAGE FOR U.S. WORKERS

The undersigned investors, representing \$4.5 trillion in assets under management and advisement, call on U.S. companies to take steps towards the payment of a living wage to direct and contract workers, in line with international human rights standards. Long-term investments in the workforce are good for business, helping companies attract and retain talented employees, increase job satisfaction, and improve worker performance. Wage increases for the lowest earners can also aid in addressing broader systemic risks such as income inequality and gender and racial disparities in the U.S. labor market that can have long-term societal and economic impacts.

Image Source: [Interfaith Center on Corporate Responsibility](#)



Essential Costs Drive Wage Gaps in the U.S.

Affordability is shaped by more than pay in the U.S. It also depends on whether workers can afford the basics that vary widely by location and household need.

Limited social safety nets

In the U.S., it is mainly the responsibility of the individual to cover essential cost, which can result in use of public programs or employer-provided benefits.

Paychecks are consumed by basics

Household spending is concentrated on essential costs with 50 percent accounting for just housing and transportation alone.

With no indexed federal minimum wage and lack of universal benefits, workers have little guarantee of economic security when they must cover high essential costs.

Key Cost Pressures



Housing



Healthcare



Transportation



Childcare

Employer Benefits Close and Expand Gaps for Workers

To meet the gaps, employers provide benefits in the U.S. to attract/retain talent; however, while these benefits can offset costs, they can be unevenly distributed depending on job type, employer size, and industry.

EMPLOYER U.S. BENEFITS SNAPSHOT

MOST COMMON
EMPLOYER U.S. BENEFIT



Healthcare

Majority of private-industry workers had access to employer-provided medical care benefits with less than half participating.



Childcare

Childcare benefits were available to 13% of private-industry workers with access being more likely in larger establishments than smaller ones.



Transportation

Subsidized commuting benefits were provided only to 10% of private-industry workers, with access more common in the Northeast and West.



Housing

An average of 14% of employers provided housing benefits in the form of relocation assistance.

WORKERS MOST EXPOSED



HOURLY WORKERS

Many employer benefits in the U.S. are designed for full-time status, leaving many hourly and part-time workers with limited access and compounding existing wage pressures.



WORKERS IN COST-EXPOSURE REGIONS

High-cost metro markets raise the price of basic needs, and rural or underserved areas have essential services that are harder to reach.



WORKERS IN LOW WAGE OCCUPATIONS

Retail, hospitality, food service, and healthcare support workers are more likely to fall below local living wage thresholds and limited access to benefits.



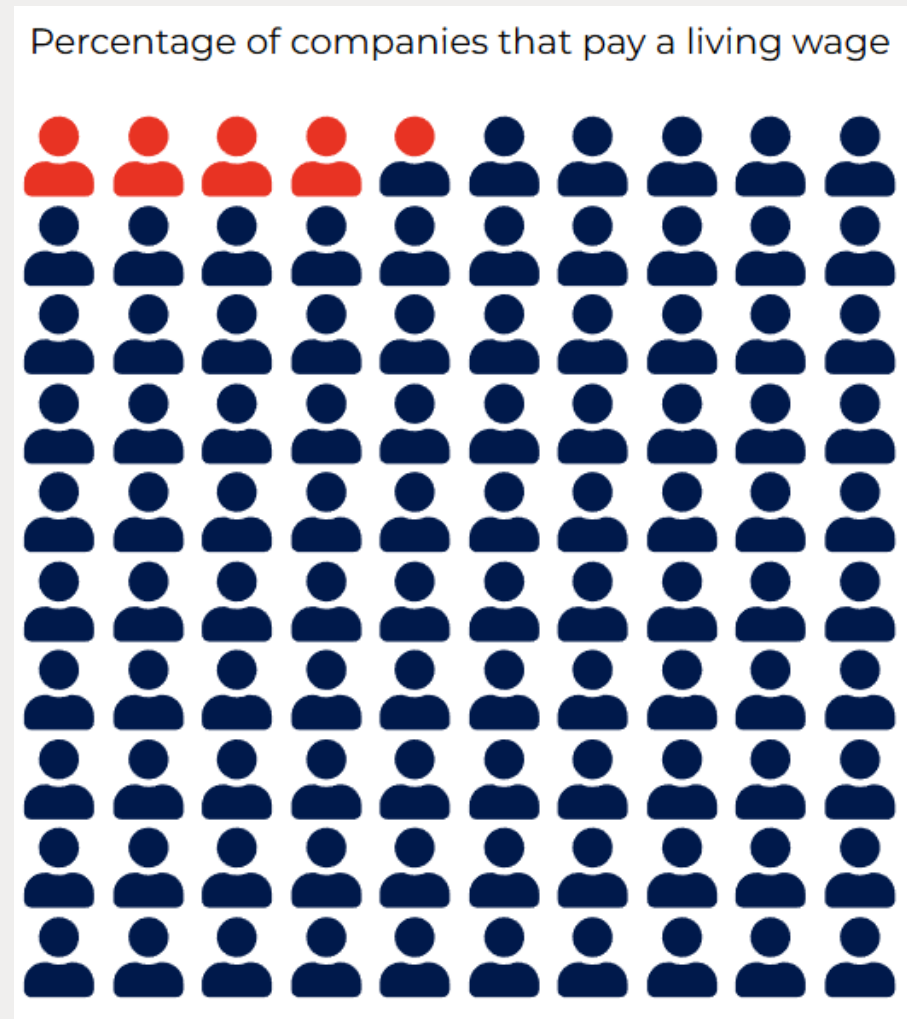
WOMEN WORKERS

Women have lower median earnings, are overrepresented in underpaid roles without benefits, and are more likely to be primary caregivers.

02

Current Company Practices

Corporate Commitment to Living Wage in the U.S.



- Living wage is **not as widespread** of an initiative amongst U.S.-based companies or within U.S. workforces compared to other regions, such as in Europe.
- The most visible model for raising wages is **companywide minimum wage floors** where companies set a national/global wage that is higher than the federal minimum wage, US\$7.25/hr.
- Some companies will **avoid** a single wage claim in exchange of describing wages as varying based on role, location, and experience.
- **Other wage terms/phrases** will be used interchangeably: livable wage, fair wage, fair compensation, decent work, competitive pay, total rewards, starting pay, and minimum wage floors.
- The **pressure** for companies to incorporate living wage into their infrastructure in the U.S. typically will come from investors and/or third-party benchmarking/certification processes.

Source: [World Benchmarking Alliance](#)

Company Practices to Tackle U.S. Living Wage Gaps

Companies are increasingly looking beyond base pay to reduce the costs for basic needs that determine whether wages are enough in practice.



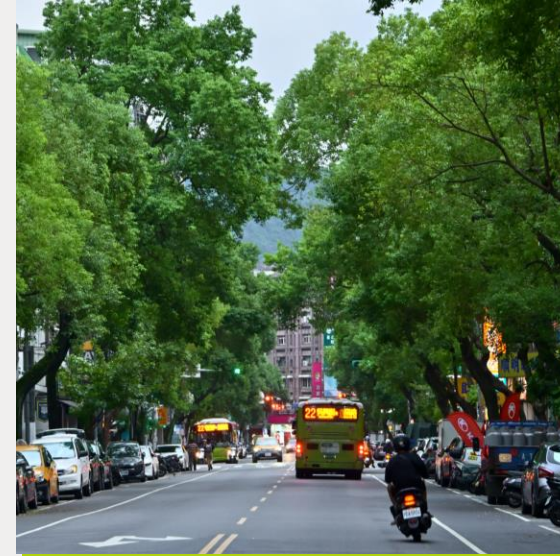
Healthcare

- Redesigning pharmacy benefits to improve medication affordability
- Expanding coverage for inclusive benefits (e.g., gender affirming care, reproductive health)
- Increasing mental health coverage



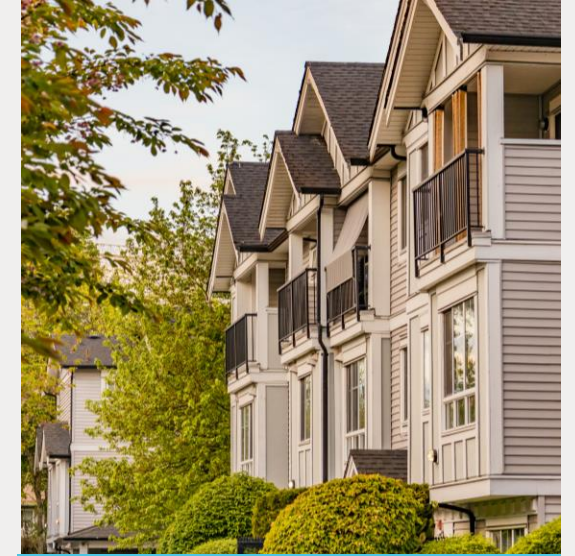
Childcare

- Providing full or partial reimbursement for childcare costs
- Offering on-site or near site childcare for employees



Transportation

- Full or partial payment for commuting costs
- Supporting vanpools and commuter vehicle programs
- Biking/micromobility subsidies



Housing

- Down-payment assistance
- Employer-assisted housing grants
- Place-based investments in affordable housing

Public Examples of Company Practices

There are companies implementing living wage commitments to incorporate the U.S. region with some utilizing benefits to support cost-of-living needs.



The Hershey Company

The company reviews employee pay annually against U.S. living wage benchmarks and maintains a commitment to pay all full-time employees at or above a living wage, while investing in industry-wide tools and partnerships that enable companies to identify and address wage gaps.



Cisco

The company is advancing living wage implementation across its operations and supply chains through a cross-functional working group and external living wage methodologies. Employees also have access to onsite/virtual health resources, paid parental leave, and onsite childcare support.



Amalgamated Bank

The company embedded living wage principles into its compensation strategy, so all employees meet family living wage thresholds. The Bank has advocated for other companies to move toward paying a living wage to both direct and contract workers along with enforcing pay transparency with their own contractors.

03

Next Steps

Next Steps

If this webinar has piqued your interest in continuing the conversation around living wage gaps in the U.S., below are some opportunities to stay involved:



Upcoming Report

BSR's Living Wage team is currently drafting a **companion report** to this webinar to be released this upcoming fall 2026.



Company Interviews

If you would like to discuss your perspectives about the living wage landscape on the U.S., **please reach out to Alisha Thompson**, athompson@bsr.org.



UNGA Event

An in-person event in NYC will be organized as part of the 2026 UN General Assembly. **Stay tuned for details on BSR's event page.**



Living Wage Support

If you would like to work with BSR on your company's own living wage efforts, **please reach out to Emma Giloth**, egiloth@bsr.org.

Thank you

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