

How Fair Price works

Costing a garment so the factory can close the gap towards a selected target wage or invest in environment

Why price is the sticking point

FairPrice

Wages in garment factories are set inside a cost the buyer already agreed. When the price does not carry a living wage, no amount of auditing puts it there.

Not visible

The wage is buried in CM

A buyer sees one cut-make-trim figure. What sits inside it is not on the table.

Not costed

Nobody prices the gap

Very few factories can say what a living wage would add to a piece, so the ask never gets made.

Not shared

One buyer of many

A brand taking 10% of a factory cannot fund 100% of a wage rise, and should not be asked to.

Fair Price answers all three with arithmetic the two sides can check line by line.

What Fair Price does

FairPrice

Builds the factory's real cost structure. Wages, hours, leave, overtime, benefits, on-costs, overhead and environmental investment, all as monthly figures.

Turns it into a cost per minute. Six minute values, A to F, that every style is then priced against.

Sets a target against a published benchmark. Legal minimum wages, GLWC and Anker living wage studies, Asia Floor Wage, trade union demands, each with its source and date.

Prices the same style twice. Once at today's wage, once at the target, so the difference per piece is a number rather than an argument.

Shows what one buyer can carry. Brand Share takes the buyer's share of factory capacity and applies it to the gap.

Exports to Excel, both ways. A factory can fill in a template offline and upload it; every figure comes back out with its formula.

Bangladesh

1 currency settings

2 factory details

3 workforce

4 working hours

5 paid leave

6 labour costs (current)

7 wage gap

8 labour costs (target)

9 overhead cost

10 environment, safety and beyond

11 production base

12 summary

▶ Save factory

📄 Download Factory Excel

+ Create new factory

The factory, on one page

FairPrice

Twelve steps describe how the factory runs and what it costs to run. The panel on the right updates as you type.

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Summary

Component	Current	Target
LABOUR COSTS PER MONTH		
Total wages paid per month for regular hours	BDT 7,344,250.00	BDT 16,323,750.00
Total wages paid per month for overtime hours	BDT 1,345,000.00	BDT 2,989,473.91
Total paid benefits / month	BDT 673,000.00	BDT 673,000.00
Total employer on-costs / month	BDT 150,000.00	BDT 333,398.58
Total labour cost / month	BDT 9,512,250.00	BDT 20,319,622.49
Total labour cost / month (display currency)	USD 78,000.45	USD 166,620.90
OVERHEAD COST / MONTH	USD 49,200.00	USD 49,200.00
TOTAL INVEST. IN ENVIRONMENT & SAFETY / MONTH	USD 2,460.00	USD 4,100.00
CAPACITY		
Total monthly sewing minute capacity per worker	11,863 min	11,863 min
Total monthly sewing minute capacity factory	4,982,463 min	4,982,463 min
LABOUR MINUTE VALUES		
A. Direct LMV	USD 0.0132	USD 0.0281
B. Indirect LMV	USD 0.0025	USD 0.0054
C. Factory LMV	USD 0.0157	USD 0.0334
D. Overhead cost per minute	USD 0.0099	USD 0.0099
E. Investment in environment & safety per minute	USD 0.0005	USD 0.0008
F. Working minute cost	USD 0.0260	USD 0.0441

Summary

	CURRENT	TARGET
Workforce		
Total workers	500	500
Sewing operators	420	420
Direct labour %	84.0%	84.0%
Capacity minutes		
Sewing Capacity Minutes per worker per month	11,863	11,863
Total sewing capacity minutes per month	4,982,463	4,982,463
Labour cost		
Average labour cost per worker per month	USD 156.00	USD 333.24
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Wages, hours, leave, overtime, benefits, on-costs, overhead and environmental investment — divided by 4,982,463 productive sewing minutes a month.

Illustrative data. Demo Garments Ltd is not a real factory.

The wage gap, against a named benchmark

FairPrice

A living wage figure is only useful if you can see who published it and when.

Measured from the lowest paid worker. Not the average.

Benchmarks carry their provenance. Figure, unit, date and source. GLWC urban Dhaka is BDT 30,459 for 2025.

Legal minimums, living wage studies, Asia Floor Wage and trade union demands. Kept apart, because they are different kinds of number.

Gross and net never mixed. A benchmark published net of tax carries a red warning.

The gap here: BDT 17,959 a month, per worker. From 12,500 to 30,459.

Wage gap

LEGAL MINIMUM WAGE / LOWEST PAID WAGE (REGULAR HOURS) ⓘ

BDT 12500

USD 102.50

REFERENCE: LEGAL MINIMUM WAGE (OPTIONAL) ⓘ

National RMG floor (non-EPZ)

12,500 BDT/month

Last updated: Dec 2023

Use this value

TARGET WAGE PER MONTH ⓘ

BDT 30459

USD 249.76

The target applies to the lowest paid worker. Everyone else moves up by the same amount, so the factory average ends up higher than the target.

REFERENCE: LIVING WAGE BENCHMARK (OPTIONAL) ⓘ

Global Living Wage Coalition

Urban Dhaka (garment/textile)

30,459 BDT/month

Source: Global Living Wage Coalition (Anker methodology). Last updated: 2025

Use this value

WAGE GAP PER WORKER

LMW VS. TARGET (PER MONTH)

BDT 17,959.00

USD 147.26

Gap as % of LMW

143.7%

AVG. WAGE VS. TARGET (PER MONTH)

BDT 15,770.50

USD 129.32

Gap as % of avg. wage

107.4%

Relevant sources for legal minimum wage levels and living wage benchmarks:

public.fairwear.org/livingwage

wageindicator.org

globallivingwage.org

While every effort was made to ensure that the applicable minimum wage levels and target wage benchmarks provided are accurate, mistakes may occur. We welcome your feedback or suggestions for improvement at contact@fair-price.org

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Six numbers, any garment

Every monthly cost, divided by the factory's productive minutes.

A Direct labour per minute. The sewing operators' own cost.

B Indirect labour per minute. Everyone else in the factory.

C Factory labour minute value. A + B.

D Overhead per minute.

E Environment and safety per minute.

F Working minute cost. USD 0.0260 today. USD 0.0441 at a living wage, with the planned investment included.

Two columns, always. Current and target, side by side, on every screen in the tool.

Summary		
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Style -- Scenarios -- Style Reports --		
-- back		

A style is materials plus minutes

FairPrice

The same seven steps for any garment. This one is a men's pique polo, 25,000 pieces.

Material contributions

MAIN FABRIC (NAME/DESCRIPTION)

220 gsm cotton pique

UNIT PRICE (Y/M/KG)

USD 4.1

CONSUMPTION (Y/M/KG)

0.56

WASTAGE %

% 5

COST MAIN FABRIC

USD 2.41

USD 4.100000

USD 2.41

+ Add custom fabric row

TOTAL FABRIC COST

USD 2.41

USD 2.41

ACCESSORIES (TRIMS, LABELS, POLYBAG, ETC)

Description

USD 0.00

USD 0.35

+ Add custom row

TOTAL ACCESSORIES COST

USD 0.35

USD 0.35

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Materials per piece, with fabric built from price, consumption and wastage. USD 2.94 here.

Illustrative data. Demo Garments Ltd is not a real factory.

CM costs

ACTUAL NUMBER OF SEWING MINUTES ⓘ

36

STANDARD ALLOWED MINUTES (SEWING) (OPTIONAL) ⓘ

20

EFFICIENCY PERCENTAGE

55.6

%

SAM + Actual minutes × 100

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next -->

Cut-make-trim is one number: the actual sewing minutes. 36 minutes, a 20-minute SAM at 55% line efficiency.

What a living wage costs a polo shirt

FairPrice

Same fabric, same trims, same order. Only the wage changes, and the planned safety and environment spending that goes with it.

USD 4.44

FOB today

At the current lowest wage of BDT 12,500 a month

USD 5.17

FOB at a living wage

At BDT 30,459, the GLWC benchmark for urban Dhaka

+ USD 0.73

16.3% on the FOB

while the labour inside the piece rises 114%, from USD 0.56 to USD 1.20

Materials are USD 2.94 of today's price and do not move. That is why doubling the wage bill moves the FOB by a sixth, and it is the single most useful sentence in a negotiation.

Brand Share

The question a brand always asks: this is not my factory alone, so what is my part of it?

Leverage is the buyer's share of capacity. 6,000,000 minutes a year out of 59,789,560. That is 10%.

Minutes first, on purpose. Pieces and value are offered too, but minutes are the honest unit when styles differ in complexity.

The share is the arithmetic. $10\% \times \text{the wage gap} \times 500 \text{ workers} \times 12 \text{ months} = \text{USD } 88,669 \text{ a year.}$

It is a contribution, not a bill. A brand taking a tenth of the factory is asked for a tenth of the gap. What the other buyers do is their own conversation.

Brand Share

Calculate what % of factory capacity is used by this brand

PRODUCED FOR BRAND

6000000

minutes used per year

TOTAL FACTORY CAPACITY

59789560

minutes used per year

Minutes are the recommended basis. This is the most exact way to determine brand leverage, as required minutes can vary significantly depending on the style complexity. If information is not available, select number of pieces or value per year.

BRAND LEVERAGE

10.0%

Enter both values above using the same unit

BRAND SHARE ⓘ

USD 88,669.27

Leverage % × wage gap (USD) × total workers × 12 months
10.0% × USD 147.26 × 500 workers × 12

POTENTIAL WAGE INCREASE

PER MONTH

BDT 1,802.22

USD 14.78

Brand leverage % × wage gap

PER YEAR

BDT 21,626.65

USD 177.34

← back

The wage ladder

Where this factory sits between the legal minimum and the benchmark, and where women sit against men.



Left: legal minimum, average paid, and the living wage target. Right: average, median and mode by gender. The median woman earns BDT 13,550 against BDT 15,375 for the median man, a gap of 11.9%.

The scenario builder

Current, target, and a third column you control. Change any variable and the whole cost sheet recalculates in place.

Scenario builder

Compare current, target and an alternate scenario side by side

	Current	Target	Alternate
Target wage per month	12500	30459	20000
Actual number of sewing minutes (per piece)	36	36	32

— choose a variable to add —

+ Add variable

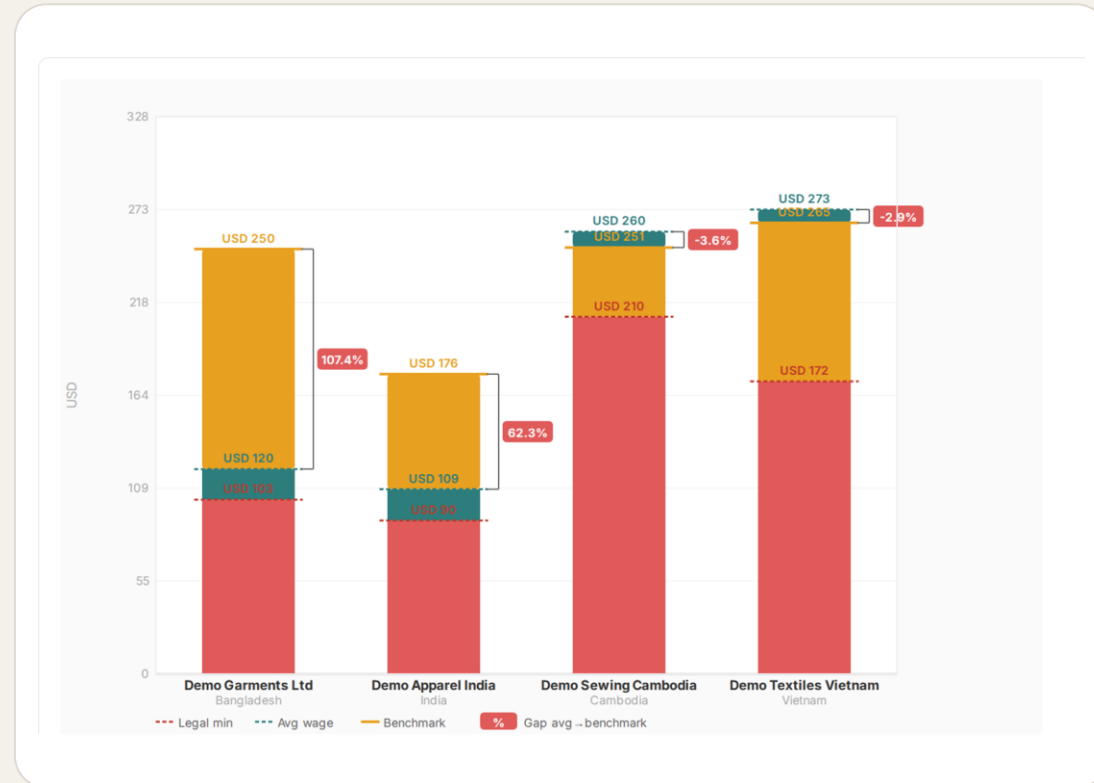
Summary

	CURRENT	TARGET	ALTERNATE
MATERIAL COSTS			
Fabric	USD 2.4108	USD 2.4108	USD 2.4108
Additional fabric	USD 0.0000	USD 0.0000	USD 0.0000
Accessories (trims, labels, polybag, etc)	USD 0.3500	USD 0.3500	USD 0.3500
Total material costs	USD 2.9408	USD 2.9408	USD 2.9408
LABOUR COSTS			
Direct labour	USD 0.4734	USD 1.0113	USD 0.6205
Indirect labour	USD 0.0902	USD 0.1926	USD 0.1182
Total labour	USD 0.5636	USD 1.2039	USD 0.7387
ADDITIONAL COSTS			
Chest embroidery, outside workshop	USD 0.1200	USD 0.1200	USD 0.1200
Overhead	USD 0.3555	USD 0.3555	USD 0.3160
Environment & Safety	USD 0.0178	USD 0.0296	USD 0.0263
Total manufacturing cost	USD 4.00	USD 4.65	USD 4.14
MARK-UP			
Factory mark-up (8%)	USD 0.3553	USD 0.4133	USD 0.3682
Buying house / Agent commission (2%)	USD 0.0888	USD 0.1033	USD 0.0920
FOB per piece	USD 4.44	USD 5.17	USD 4.60
Total order value	USD 111,046	USD 129,161	USD 115,049

A step to BDT 20,000 combined with four minutes taken out of the style lands at USD 4.60, up 3.6% on today. The full living wage step is USD 5.17, up 16.3%. That is a negotiation with two real options in it.

Every factory you have costed

The dashboard compares them: the wage gap against each benchmark, and the gender gap measured from uploaded wage data.



Legal minimum, average wage paid and the benchmark, per factory. Two of these four are already at or above their benchmark; Bangladesh is 107.4% short.

Illustrative data. Demo Garments Ltd is not a real factory.



Median all, median male, median female. The gender gap runs from 6.9% to 11.9% across the four.

What each side gets out of it

FairPrice

The same arithmetic, read from two directions.

For a brand

A cost breakdown you can check rather than a CM figure you have to accept.

The price of a living wage in your own product, per piece and per order.

Your own share of it, calculated from the capacity you actually take.

Evidence for a human rights due diligence file: a named benchmark, a dated source, a number.

A portfolio view across every factory you have costed.

For a factory

Your real cost structure on one page, including the overhead and investment usually absorbed in silence.

A wage increase priced properly, with overtime, benefits and on-costs moving with it.

The ability to show a buyer what their order does and does not cover.

Scenarios to test a phased increase, or an efficiency gain, before offering it.

An Excel file you can fill in offline and keep.

**Interested? Get in touch in order to start using the
Fair Price Portal.**

Fair Price Foundation · contact@fair-price.org