

WORLD RESIDENCE INDEX

Methodology Manual

2026 Edition — Version 3.4

Last updated: August 2026

211 Countries & Territories • 9 Parameters • Every score: higher is better

worldresidenceindex.com

1. Introduction and Objective

The World Residence Index (WRI) ranks countries and territories based on their desirability as places of residence for internationally mobile individuals, high-net-worth families, entrepreneurs, and global professionals. Unlike standard quality-of-life indices, the WRI is specifically designed to reflect the priorities of people who have the freedom to choose where they live: tax efficiency, personal freedom, economic stability, lifestyle infrastructure, safety, geopolitical neutrality, and ideological freedom.

The WRI assigns each country a total score derived from nine independently scored parameters. **Every score in the index reads higher = better** — each parameter, the TOTAL and the published WRI Score — with no inverted scales and no conversions at any stage. The methodology is designed to be transparent, reproducible, and easily updated on an annual basis by any qualified analyst using publicly available data sources.

The 2026 edition covers 211 countries and territories. No index of comparable scope, depth, and annual reproducibility currently exists in the global residence advisory space.

2. Scoring System Overview

Score Range: Each parameter is scored on a scale from 1 (worst possible) to 100 (best possible). Every score in the index — every parameter, the TOTAL and the WRI Score — reads higher = better. There are no inverted scales anywhere in the system.

Capping: All scores are capped at both ends using empirically meaningful thresholds. For example, a 0% tax rate receives a score of 100, while any rate at or above 50% receives a score of 1.

Scaling: Some parameters use linear scaling (e.g., tax rates, unemployment), while others use logarithmic scaling (e.g., GDP per capita, population density) to account for diminishing returns at extreme values.

Equal Weighting: All nine parameters carry equal weight in the total score calculation. This ensures no single dimension dominates the ranking.

Parameter names: Parameter names describe the dimension measured, not the direction of the score. A high Unemployment score means unemployment is low; a high Warmongering score means militarisation is low; a high Woke score means ideological enforcement is low. Published tables should carry a one-line reading for each parameter (Section 12.1).

TOTAL: The sum of all nine parameter scores, ranging from 9 (worst possible) to 900 (best possible). Higher is better.

WRI Score: The published headline figure: $WRI = 100 \times (TOTAL - 9) / 891$, normalising the total to a 0–100 scale where higher is better. Reported to two decimal places; parameter scores are maintained to one decimal place. Decimal precision eliminates ties.

Raw values: Raw factual values (tax rates, dollars, years, densities, arrivals, rubric points) are recorded alongside the scores for reference and are published unaltered. They are never scored, transformed or inverted.

3. Parameter 1: Personal Income Tax

Definition: Top marginal income tax rate for individuals, adjusted for special tax regimes available to new residents and HNWIs.

The WRI recognizes three special tax classifications that are highly relevant to its target audience:

Tax System	Score	Definition & Rationale
0% (No income tax)	100	Countries with no personal income tax whatsoever. Ideal for relocation. Examples: Monaco, UAE, Qatar, Bahamas, Cayman Islands, Vanuatu.
Territorial taxation	91	Only domestic-sourced income is taxed; foreign income is exempt. Functionally similar to 0% for individuals with international income. Examples: Hong Kong, Singapore, Panama, Paraguay, Dominican Republic, Costa Rica, Georgia, Seychelles.
Lump-sum taxation	86	A fixed annual payment regardless of income. Designed for HNWIs. Examples: Italy (€300k/yr), Greece (€100k/yr), Switzerland (forfait fiscal, CHF 250k–1M+), Cyprus, Malta, Ireland (non-dom), Portugal (NHR 2.0), Isle of Man (tax cap), Jersey (tax cap).
Progressive (≤50%)	Formula	Score = $101 - \lceil \text{round}(198 \times \text{tax_rate} + 1) \rceil$, capped at 1–100. Linear scaling from 0% to 50%.
Progressive (≥50%)	1	Maximum penalty. Any top marginal rate at or above 50% receives the worst possible score.

Source: KPMG Individual Income Tax Guides, EY Worldwide Personal Tax Guides, PwC Tax Summaries, national tax agencies.

Note: Countries with special tax regimes are marked with an asterisk (*) in the index. Flat-rate tax countries (e.g., Estonia, Hungary, Bulgaria) are scored normally based on their actual rate, not given a preferential score. In WRI usage, “lump-sum” means a fixed annual payment (e.g., Italy €300k, Greece €100k), not a flat percentage rate.

4. Parameter 2: Population Density

Definition: Residents per square kilometer of land area.

Formula: Logarithmic: $\text{score} = 101 - \lceil (\log(1+\text{density}) - \log(31)) / (\log(501) - \log(31)) \times 99 + 1 \rceil$

Best (Score = 100): ≤30 people/km². Countries with ample space and low crowding.

Worst (Score = 1): ≥500 people/km². Above this threshold, additional density makes no practical difference to quality of life.

Source: United Nations World Population Prospects 2024, World Bank.

5. Parameter 3: GDP per Capita

Definition: Nominal GDP per capita in current USD.

Formula: Logarithmic inverse: $\text{score} = 101 - \lceil (\log(100001) - \log(1+\text{gdp})) / (\log(100001) - \log(2001)) \times 99 + 1 \rceil$

Best (Score = 100): ≥\$100,000 per capita.

Worst (Score = 1): ≤\$2,000 per capita.

Source: IMF World Economic Outlook, World Bank, OECD.

6. Parameter 4: Life Expectancy

Definition: Average life expectancy at birth (both sexes combined).

Formula: Linear inverse: $\text{score} = 101 - [(85 - \text{age}) / 25 \times 99 + 1]$

Best (Score = 100): ≥ 85 years.

Worst (Score = 1): ≤ 60 years.

Source: WHO, UNDP Human Development Reports, World Bank, UN World Population Prospects 2024.

7. Parameter 5: Tourism & Lifestyle Appeal

This parameter replaces Hotel Density (used in v1.0–2.0), which was found to be structurally flawed: over half of all countries scored the maximum penalty of 100, making the parameter dominate the total score unfairly and failing to differentiate between countries.

Definition: International tourist arrivals per capita (arrivals $\div$ resident population). This metric captures how attractive a country is as a destination: strong tourism infrastructure, visa accessibility, amenities, safety perception, natural beauty, and cultural appeal all contribute to high arrival numbers relative to population.

Formula: Logarithmic inverse: $\text{score} = 101 - [(\log(3.01) - \log(\text{arrivals_pc} + 0.01)) / (\log(3.01) - \log(0.02)) \times 99 + 1]$

Best (Score = 100): ≥ 3.0 arrivals per capita (e.g., Monaco, Andorra, Turks & Caicos, Aruba, Iceland, Bahrain).

Worst (Score = 1): ≤ 0.01 arrivals per capita (e.g., North Korea, Afghanistan, conflict zones).

Source: UN World Tourism Organization (UNWTO) World Tourism Barometer, World Bank (ST.INT.ARVL), national tourism boards.

Note on Starlink: The previous Internet Penetration parameter was dropped because satellite constellations (Starlink, OneWeb) are making global connectivity universally available, rendering the metric meaningless for differentiation. Tourism arrivals per capita is a superior proxy for lifestyle infrastructure and international appeal.

8. Parameter 6: Unemployment Rate

Definition: Official national unemployment rate (ILO definition).

Formula: Linear: $\text{score} = 101 - [(\text{rate} - 0.02) / 0.23 \times 99 + 1]$

Best (Score = 100): $\leq 2\%$ unemployment.

Worst (Score = 1): $\geq 25\%$ unemployment.

Source: World Bank, ILO (ILOSTAT), national statistics offices.

9. Parameter 7: Warmongering Score

Definition: Military expenditure as a percentage of GDP. A proxy for how militarized and conflict-oriented a country is.

Formula: Linear: $\text{score} = 101 - [(\text{rate} - 0.5) / 9.5 \times 99 + 1]$

Best (Score = 100): $\leq 0.5\%$ of GDP on military (e.g., Iceland, Costa Rica, Panama).

Worst (Score = 1): $\geq 10\%$ of GDP on military (e.g., Ukraine, North Korea).

Source: SIPRI Military Expenditure Database, World Bank (MS.MIL.XPND.GD.ZS).

Future Enhancements: Subsequent editions may incorporate arms export volumes (SIPRI Arms Transfers Database), foreign military intervention history, UN Security Council voting patterns, and active conflict involvement (Uppsala Conflict Data Program).

10. Parameter 8: Personal Safety & Rule of Law

This parameter replaces Internet Penetration (dropped due to Starlink making global connectivity universal). For HNWIs considering relocation, personal safety and the reliability of legal institutions are non-negotiable.

Composite Formula: Safety Score = 0.40 × Homicide Score + 0.30 × Rule of Law Score + 0.30 × Corruption Score

Homicide Rate (40%): Intentional homicides per 100,000 population. Best (100): ≤0.5 per 100k (Japan, Singapore, Iceland). Worst (1): ≥40 per 100k. Logarithmic scaling. Source: UNODC Global Study on Homicide, World Bank (VC.IHR.PSRC.P5).

Rule of Law (30%): World Justice Project Rule of Law Index overall score (0–1 scale, higher = better). Best (100): WJP ≥0.85 (Denmark, Finland). Worst (1): WJP ≤0.30. Linear inverse. Source: WJP Rule of Law Index 2025. For countries not covered by WJP, the score is imputed from the CPI via a fitted regression; peer estimates are used for micro-territories.

Absence of Corruption (30%): Transparency International Corruption Perceptions Index (0–100, higher = cleaner). Best (100): CPI ≥85. Worst (1): CPI ≤15. Linear inverse. Source: TI CPI 2025.

11. Parameter 9: Woke Score (Ideological Neutrality)

The Woke Score measures the extent to which a country enforces progressive ideological mandates through law, education, media, and corporate governance. It reflects ideological freedom: the degree to which citizens and residents can express diverse viewpoints without legal or institutional penalty. This is distinct from political freedom indices (such as Freedom House), which measure democratic participation. The Woke Score specifically measures whether the state imposes a particular ideological framework on its residents.

Scoring: 100 = traditionalist or ideologically neutral (maximum freedom from imposed ideology); 1 = maximal institutional ideological enforcement. Like every parameter, a high score is the desirable outcome.

Interpretive rule: Only identity-driven progressive mandates count toward the score; authoritarian and theocratic speech controls do not inflate it. EU mandate floors (hate-speech framework, DSA, CSRD, board-quota directive) apply to all 27 EU members and relevant EEA subsets.

Countries are scored using a structured rubric with 26 yes/no questions across six weighted categories. Each category produces a sub-score based on the proportion of “Yes” answers. The final Woke Score is the weighted sum:

Category	Weight	Example Questions
A. Compelled Speech & Expression Laws	20%	Pronoun mandates, hate speech laws criminalizing traditional views, online speech regulation, blasphemy laws
B. Education & Curriculum Mandates	20%	CRT in K-12, gender identity taught as fact, restrictions on parental opt-out, DEI in universities, homeschooling restrictions
C. Corporate & ESG Mandates	15%	Mandatory DEI officers, ESG reporting requirements, board gender quotas, penalties for non-compliance
D. Gender Ideology & Transgender Laws	20%	Legal gender self-ID, minors accessing hormones, broadly

		defined conversion therapy bans, custody implications
E. Media, Censorship & Cancel Culture	15%	State-funded fact-checkers, diversity content quotas, government-enabled deplatforming, anti-disinformation agencies
F. Religious & Traditional Values Freedom	10%	Compelled religious organizations, forced curriculum, conscientious objection protections

Source: Assessed using the WRI Woke Score Rubric (a separate workbook with explicit Yes/No answers for all 211 countries). Data sources include EqualDex, ILGA/Rainbow Index, FIRE.org, Heritage Foundation, OECD Education Policy Outlooks, and national legislation databases.

Note: This parameter is inherently more subjective than others. All assessments are documented in the rubric workbook for transparency and reproducibility.

12. Final Score Calculation and Ranking

TOTAL: TOTAL = Tax + Density + GDP + Life + Tourism + Unemployment + Warmongering + Safety + Woke. Minimum possible 9; maximum possible 900. Higher is better. Parameters are maintained to one decimal place.

WRI Score: $WRI = 100 \times (TOTAL - 9) / 891$, reported to two decimal places. Higher is better. Anchoring to the theoretical bounds keeps scores comparable across editions.

Ranking: Countries are ranked from highest WRI Score (Rank 1 = most attractive) to lowest. In the event of a tie, countries are ranked alphabetically; decimal precision makes ties rare.

Publication: Scores are published exactly as recorded in the index file. No conversion, inversion or re-scaling is applied at any point between the index and any published output. Raw factual values are published unaltered.

The 2026 edition shows WRI Scores ranging from 89.18 (Sark, TOTAL 803.60) to 24.55 (North Korea, TOTAL 227.77), confirming the methodology produces meaningful differentiation across the full spectrum.

12.1 Reading the parameters. Because names describe the dimension rather than the direction, published tables should carry these readings: Tax — 100 = no income tax. Density — 100 = uncrowded. GDP — 100 = highest output per resident. Life — 100 = longest life expectancy. Tourism — 100 = strongest lifestyle appeal. Unemployment — 100 = lowest unemployment. Warmongering — 100 = least militarised. Safety — 100 = safest. Woke — 100 = most ideologically neutral.

13. Annual Update Procedure

Step 1: Collect the most recent data for all quantitative parameters from the designated sources (Sections 3–10).

Step 2: Verify tax regime classifications (normal, territorial, lump-sum) and update as needed. Monitor for countries introducing, modifying, or abolishing special HNWI regimes.

Step 3: Update the Woke Score rubric for countries where significant legislative changes have occurred.

Step 4: Apply the scoring formulas exactly as documented. Do not adjust caps or formulas unless a methodology revision is published.

Step 5: Sum the nine scores, compute the WRI Score, and verify the recalculation to zero errors (the acceptance gate).

Step 6: Rank countries by WRI Score, highest first.

Step 7: Publish outputs directly from the index file — no conversion at any stage; record any methodology changes in the Change Log (Section 15).

Step 8: Publish the updated index with a clear “Last Updated” date and edition number.

14. Data Sources Summary

Parameter	Primary Source	Reference
Income Tax Rates	KPMG, EY, PwC	taxsummaries.pwc.com
Population Density	UN WPP 2024 / World Bank	population.un.org
GDP per Capita	IMF WEO / World Bank	imf.org, data.worldbank.org
Life Expectancy	WHO / World Bank / UN WPP	who.int, data.worldbank.org
Tourism Arrivals	UNWTO / World Bank	unwto.org, data.worldbank.org
Unemployment	ILO / World Bank	ilostat.ilo.org
Military Spending	SIPRI	sipri.org/databases/milex
Homicide Rate	UNODC	dataunodc.un.org
Rule of Law	World Justice Project	worldjusticeproject.org
Corruption Index	Transparency International	transparency.org/cpi
Woke Score	WRI Rubric (proprietary)	26-question rubric workbook

15. Change Log

Version	Changes
1.0 · 2020	Original index created with 7 parameters (Tax, Internet, Density, GDP, Life Expectancy, Hotel Density, Unemployment). 209 countries. Scoring based on regression from raw data.
2.0 · Mar 2026	Complete methodology overhaul: capped scoring (1–100), logarithmic scaling for non-linear parameters, special tax regime handling (territorial, flat, lump-sum), Warmongering Score (Mil % GDP) added. 198 countries.
3.0 · Mar 2026	Replaced Internet Penetration with Safety & Rule of Law composite (UNODC + WJP + TI CPI); replaced Hotel Density with Tourism & Lifestyle Appeal (arrivals per capita); added Woke Score (Ideological Neutrality) with 26-question rubric; refined tax classifications; 211 countries/territories including Crown Dependencies.
3.2 · 2026	Introduced the published WRI Score: internal totals normalised to a 0–100 scale where higher is better, via $WRI = 100 \times (900 - TOTAL) / 891$, anchored to the theoretical 9–900 bounds for year-over-year comparability. Decimal precision adopted throughout (parameters to one decimal; TOTAL and WRI Score to two) to eliminate ties. Safety composite sources updated to WJP 2025 and TI CPI 2025, with WJP imputed from CPI via fitted regression for uncovered countries.
3.3 · Jul 2026	Display Convention (superseded by v3.4): published parameter scores were shown as 101 – internal score while the index file retained 1 = best.
3.4 · Aug 2026	Scoring direction unified at source. All nine parameter scales inverted within the index file itself so that every score — parameter, TOTAL and WRI Score — reads higher = better, and the Display Convention is retired: no conversion is applied anywhere between the file and publication. TOTAL is now 9 (worst) to 900 (best) and $WRI = 100 \times (TOTAL - 9) / 891$. Original parameter

	names retained; a one-line reading is published for each (Section 12.1). All WRI Scores, ranks and raw values are unchanged from v3.3. Tax System classification corrected to “zero” for Monaco, British Virgin Islands, Bermuda, Vanuatu, Nauru and Somalia.
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— *End of Methodology Manual* —