

Anker Reference Value Update¹ Rural El Salvador 2022

Living Wage USD 393
(El Salvador is a dollarized country)

This report updates the Anker Living Wage Reference Value for rural El Salvador to 2022. The updated values for 2022 are: (i) Gross Living Wage of: USD 393², comprised of a Net Living Wage of USD 352, plus a social security contribution to State Welfare Fund and private pension of USD 41. The living wage was USD 355 for 2020 in the original Reference Value report,³ comprised of a Net Living Wage of 318 USD plus a social security contribution of USD 37. Inflation in this period was 10.55%⁴ and it increased the net living wage. Without accounting for inflation, the living wage estimated in 2020 would not be sufficient for families to afford a basic but decent standard of living in 2022, because the purchasing power of the living wage would have decreased. Social security contributions and income tax were calculated using the most up-to-date tax laws.⁵

Table 1: Anker Living Wage Reference Value for Rural El Salvador, 2020 and 2022 (in USD)

	2020	2022
	USD	USD
Anker Net Living Wage Reference Value (1)	318	352
Social Security Contributions (2)	37	41
Income Tax (3)	0	0
Anker Gross Living Wage Reference Value (4) (4) = (1) + (2) + (3)	355	393
Exchange Rate (El Salvador is dollarized)	1	1
Inflation mid-2021 to mid-2022	10.7%	

¹ The Anker Research Institute engages in and disseminates high-quality research, analysis, and training related to living wage and living income (based on the Anker methodology) to inform and influence companies, empower working people, and shape public policy, thereby helping to enhance quality of life and sustainable livelihoods for working people and their families everywhere. Social Accountability International (SAI) is the institutional host.

² El Salvador has been a dollarized economy since 2001, when the US Dollar replaced the Salvadorian Colon (SVC) as the official currency. In this report, the SVC is mentioned as a reference only.

³ Bonilla, Voorend, Prates, Anker and Anker (2020). Anker Living Wage Reference Value – Rural El Salvador, 2020. Global Living Wage Coalition. <https://www.globallivingwage.org/wp-content/uploads/2020/11/Rural-El-Salvador-LW-Reference-Value-FINAL.pdf>

⁴ National Institute of Statistics of El Salvador: <http://www.digestyc.gob.sv/>

⁵ <https://taxsummaries.pwc.com/el-salvador>