

ANKER REFERENCE VALUE ANNUAL UPDATE 2023¹

RURAL EL SALVADOR

LIVING WAGE USD 407

(El Salvador is a dollarized country)

This report updates the Anker Living Wage Reference Value for rural El Salvador to 2023. The updated Anker Gross Living Wage for 2023 is USD 407² per month, comprised of a Net Living Wage of USD 365, plus a social security contribution to State Welfare and private pension of USD 42. The Gross 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 36. Inflation in this period was 14.7%⁴. 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 2023, because the purchasing power of the living wage would have decreased. Social security contributions and income tax were calculated using tax laws in force in June 2023.⁵

Table 1. Anker Living Wage Reference Value for Rural El Salvador, 2020, 2022, and 2023 (in USD)

	2020	2022	2023
	USD	USD	USD
Anker Net Living Wage Reference Value (1)	318	352	365
Social Security Contributions (2)	36	41	42
Anker Gross Living Wage Reference Value (3) (3) = (1) + (2)	355	393	407
Inflation from mid-2020 to mid-2023	14.7%		

¹ Prepared by Agnes Medinaceli, Lykke E. Andersen, Marcelo Delajara, Richard Anker & Martha Anker.

² El Salvador has been a dollarized economy since 2001, when the US Dollar replaced the Salvadorian Colon (SVC) as the official currency.

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 Banco Central de Reserva: <https://www.bcr.gob.sv/>

⁵ See <https://taxsummaries.pwc.com/el-salvador>. Workers earning less than USD 472 per month are exempt from the income tax. Social security contributions are 3% of the gross salary, and contributions to the pension fund are 7.25% of the gross salary.