

# ANKER REFERENCE VALUE ANNUAL UPDATE 2023<sup>1</sup>

## URBAN EL SALVADOR

**LIVING WAGE USD 539**

(El Salvador is a dollarized country)

This report updates the Anker Living Wage Reference Value for urban El Salvador to 2023. The updated Anker Gross Living Wage for 2023 is USD 539<sup>2</sup> per month, comprised of a Net Living Wage of USD 484, plus social security contributions of USD 55. The Gross Living Wage was USD 519 for 2022 in the original Reference Value report,<sup>3</sup> comprised of a Net Living Wage of 466 USD plus deductions on the gross wage of USD 53. Inflation in this period was 3.8%<sup>4</sup>. Without accounting for inflation, the Living Wage estimated in 2022 would not be sufficient for workers and their 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 tax laws in force in 2023.<sup>5</sup>

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

	2022	2023
	USD	USD
Anker Net Living Wage Reference Value (1)	<b>466</b>	<b>484</b>
Social Security Contributions and Income Tax (2)	<b>53</b>	<b>55</b>
Anker Gross Living Wage Reference Value (3) (3) = (1) + (2)	<b>519</b>	<b>539</b>
Inflation from mid-2022 to mid-2023	<b>3.8%</b>	

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

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

<sup>3</sup> Khan, Prates, Anker & Anker (2022). Anker Living Wage Reference Value – Urban El Salvador, 2022. Global Living Wage Coalition. [https://www.globallivingwage.org/wp-content/uploads/2022/11/2022-Urban-El-Salvador-LW-Reference-Value\\_FINAL.pdf](https://www.globallivingwage.org/wp-content/uploads/2022/11/2022-Urban-El-Salvador-LW-Reference-Value_FINAL.pdf)

<sup>4</sup> Banco Central de Reserva: <https://www.bcr.gob.sv/>

<sup>5</sup> See <https://taxsummaries.pwc.com/el-salvador>. Social security contributions are 3% of the gross salary, and contributions to the pension fund are 7.25% of the gross salary. Employees earning the living wage are exempt from income tax.