

Anker Reference Value Annual Update¹ Rural Tanzania 2022

Living Wage
TZS 330,250
(USD 142)

This report updates the Anker Living Wage Reference Value for rural Tanzania to 2022. This was TZS 317,779 (USD 139) for 2020 in the original report², comprised of a net living wage (i.e. take-home pay) of TZS 272,701 (USD 119) per month plus TZS 45,078 (USD 20) which would need to be paid by law in social security contributions (TZS 31,778) and income tax (TZS 13,300) on the living wage. The updated values for June 2022 are: (i) Anker Gross Living Wage of: TZS 330,250 (USD 142), comprised of a Net living Wage of TZS 295,047 (USD 127), plus a social security contribution of TZS 33,025 (USD 14) and an income tax of TZS 2,178 (USD 1). Inflation in this period was 8.2%³ and it increased the net living wage. Without accounting for inflation, the living wage estimated in 2020 would not be sufficient for families to have 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 (e.g. income tax free threshold was higher in 2022 than in 2020).⁴

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

	2020		2022	
	TZS	USD	TZS	USD
Anker Net Living Wage Reference Value (1)	272,701	119	295,047	127
Social Security Contributions (2)	31,778	14	33,025	14
Income Tax (3)	13,300	6	2,178	1
Anker Gross Living Wage Reference Value (4) (4) = (1) + (2) + (3)	317,779	139	330,250	142
Exchange Rate	2.292 ^a		2.329 ^b	
Inflation mid-2020 to mid-2022	8.20%			

Notes: USD values are indicative only, since exchange rates are volatile.

^a Average exchange rate from November 2019 to January 2020.

^b Average exchange rate from May 2022 to July 2022.

¹ The Anker Living Wage and Income 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 Smith, Prates, Anker and Anker (2020). Anker Living Wage Reference Value – Rural Tanzania, 2020.

³ National Bureau of Statistics Tanzania: <https://www.nbs.go.tz/index.php/en/>

⁴ <https://taxsummaries.pwc.com/tanzania/individual/taxes-on-personal-income>