

ANKER REFERENCE VALUE ANNUAL UPDATE 2023¹

RURAL PANAMA

LIVING WAGE USD 610

(PANAMA is a dollarized country)

This report updates the Anker Living Wage Reference Value for rural Panama to 2023. The updated Anker Gross Living Wage for 2023 is USD 610² per month, comprised of a Net Living Wage of USD 543, plus a contribution to social security and educational insurance of USD 67. The Gross Living Wage was USD 569 for 2020 in the original Reference Value report,³ comprised of a Net Living Wage of 513 USD plus a social security contribution of USD 56. Inflation in this period was 5.8%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 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 Panama, 2020, 2022, and 2023 (in USD)

	2020	2022	2023
	USD	USD	USD
Anker Net Living Wage Reference Value (1)	513	534	543
Social Security Contributions (2)	56	67	67
Income Tax (3)	0	0	0
Anker Gross Living Wage Reference Value (4) (4) = (1) + (2) + (3)	569	601	610
Exchange Rate (Panama is dollarized)	1	1	1
Inflation from 2020 to 2023	5.8%		

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

² Panama has been a dollarized economy since 1904.

³ Kuriakose, Prates, Anker & Anker. (2020). Anker Living Wage Reference Value – Rural Panama, 2020. Global Living Wage Coalition. https://www.globallivingwage.org/wp-content/uploads/2020/11/Rural-Panama-LW-Reference-Value_FINAL.pdf

⁴ INEC: https://www.inec.gob.pa/avance/Default2.aspx?ID_CATEGORIA=2&ID_CIFRAS=10&ID_IDIOMA=1#

⁵ See <https://taxsummaries.pwc.com/panama/individual/other-taxes>