



## ANKER LIVING WAGE REFERENCE VALUE UPDATE 2023<sup>1</sup>

## **RURAL TANZANIA**

## **LIVING WAGE**

**JUNE 2023 TZS 342,926** (148 USD)

This report updates the Anker Living Wage Reference Value for rural Tanzania to 2023. The living wage reference value was originally estimated at TZS 317,779 in 2020<sup>2</sup>. The updated value takes into account the inflation accumulated in the country from June 2020 to June 2023 (12.04%)<sup>3</sup>. The value updated to 2023 is TZS 342,926 (148 USD), and comprises a net living wage of TZS 305,543 (USD 132) and social security and income tax payments for TZS 37,383 (USD 16). Without accounting for inflation, the living income estimated in 2020 would not be sufficient for families to have a basic but decent standard of living in 2023, because the purchasing power of the living income would have decreased.

Table 1. Anker Living Wage Reference Value for rural Tanzania, 2020, 2022 and 2023 (in TZS and USD)

|  | Original estimate<br>2020 |     | June<br>2022       |     | June<br>2023 |     |
|--|---------------------------|-----|--------------------|-----|--------------|-----|
|  | TZS                       | USD | TZS                | USD | TZS          | USD |
| Anker Living Wage Reference Value (1)            | 272,701                   | 119 | 295,047            | 127 | 305,543      | 132 |
| Social Security Contributions and Income Tax (2) | 45,078                    | 20  | 35,203             | 15  | 37,383       | 16  |
| Anker Gross Living Wage Reference Value (1)+(2)  | 317,779                   | 139 | 330,250            | 142 | 342,926      | 148 |
| Exchange Rate                                    | 2,292ª                    |     | 2,329 <sup>b</sup> |     | 2,323°       |     |
| Inflation since June 2020                        |                           |     | 8.19%              |     | 12.04%       |     |

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

<sup>1</sup> 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. Report prepared by Marcelo Delajara and Rocío Espinosa Montiel.

<sup>&</sup>lt;sup>a</sup> Exchange rate taken from the original report.

 $<sup>^{\</sup>rm b}$  Average exchange rate from 2022 update report (May 2022 to July 2022).

<sup>&</sup>lt;sup>b</sup> Average exchange rate for June 2023.

<sup>&</sup>lt;sup>2</sup> Smith, Prates, Anker and Anker (2020). Anker Living Wage Reference Value – Rural Tanzania, 2020.

<sup>&</sup>lt;sup>3</sup> Tanzania CPI used in the estimation: https://data.imf.org/ and https://www.nbs.go.tz/index.php/en/consumer-price-index-cpi