

ANKER REFERENCE VALUE ANNUAL UPDATE 2023¹

NON-METROPOLITAN URBAN CHILE

LIVING WAGE
CLP 782,549 (USD 977)

This report updates the Anker Living Wage Reference Value for non-metropolitan urban Chile to 2023. This was CLP 623,057 (USD 751) for 2020 in the original report², comprised of a Net Living Wage of CLP 513,399 (USD 619), plus a social security contribution of CLP 109,658 (USD 132). The updated Anker Gross Living Wage for 2023 is CLP 782,549 (USD 977) per month, comprised of a Net living Wage of CLP 644,820 (USD 805), plus CLP 137,729 (USD 172) in mandatory pay deductions which would need to be paid by law as a contribution to the state health fund (7.0%), unemployment insurance (0.6%), and pension contribution (10.0%). Inflation in this period was 25.6%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 2023, because the purchasing power of the Living Wage would have decreased. Mandatory deductions were calculated using laws in force in June 2023.⁴

Table 1. Anker Living Wage Reference Value for non-metropolitan urban Chile, 2020, 2022 and 2023 (in CLP and USD)

| | Original Study 2020 | | 2022 | | 2023 | |
|---|---------------------|-----|---------------------|-----|---------------------|-----|
| | CLP | USD | CLP | USD | CLP | USD |
| Anker Net Living Wage Reference Value (1) | 513,399 | 619 | 599,490 | 674 | 644,820 | 805 |
| Social Security Contributions and Income Tax (2) | 109,658 | 132 | 128,046 | 144 | 137,729 | 172 |
| Anker Gross Living Wage Reference Value (3) = (1) + (2) | 623,057 | 751 | 727,536 | 818 | 782,549 | 977 |
| Exchange Rate | 829.78 ^a | | 888.43 ^b | | 800.74 ^c | |
| Inflation mid-2020 to mid-2023 | 25.6% | | | | | |

Notes: USD values are indicative only, since they are volatile. ^a Average exchange rate from November 2019 to January 2020. ^b Average exchange rate from May to July 2022. ^c Average exchange rate for June 2023. Source: IMF.

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

² Bonilla, Voorend, Anker & Anker, and Prates (2020). Anker Living Wage Reference Value – Non-Metropolitan Urban Chile 2020. https://www.globallivingwage.org/wp-content/uploads/2020/12/LW-Reference-Value_Chile.pdf

³ Instituto Nacional de Estadística (INE): <https://www.ine.gob.cl/> This report uses the National Consumer Price Index.

⁴ See <https://taxsummaries.pwc.com/chile/individual/taxes-on-personal-income> & <https://www.chileatiende.gob.cl/fichas/7360-pago-de-cotizaciones-previsionales-y-de-salud> & <https://taxsummaries.pwc.com/chile/individual/other-taxes>