

Living Income Update Report Rural Cocoa-Growing Areas Ghana, 2024



Living income per month
GHC 4,305 (USD 300)



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Abstract:

This report provides updated estimates of the living income for rural Ghana. The update for June 2024 takes into account inflation since the living income study of March 2018 (Smith & Sarpong, 2018).

Keywords: Living costs, living wages, Anker Methodology, Ghana

JEL classifications : J30, J50, J80.

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1. BACKGROUND

This report updates the Living Income for rural cocoa growing areas in Ghana for 2024. The update takes into account the amount of inflation since March 2018 (Smith & Sarpong, 2018). This is done by updating the March 2018 living income to June 2024 by inflation. Without accounting for inflation, the net living income estimated in 2018 would not be sufficient for families to have a basic but decent standard of living in 2024 because the purchasing power of the living income would have decreased compared to what it was in 2018.

2. LIVING INCOME IN ORIGINAL REPORT FROM MARCH 2018

The original living income was estimated as GHC 1,464 (USD 329) in March 2018 for a typical family of two adults and three children, in rural cocoa producing regions of Ghana, including Ashanti, Central, Eastern, and Western regions (Smith & Sarpong, 2018).

3. INFLATION RATE USED FOR UPDATE

The Consumer Price Index of Ghana is calculated by Ghana Statistical Service (GSS) and published monthly in a CPI bulletin.¹ In September of 2022, GSS changed the base year to 2021. Although GSS publishes regional CPI statistics as well, we consider the National CPI to be more reliable and reasonably representative of all the cocoa producing regions.

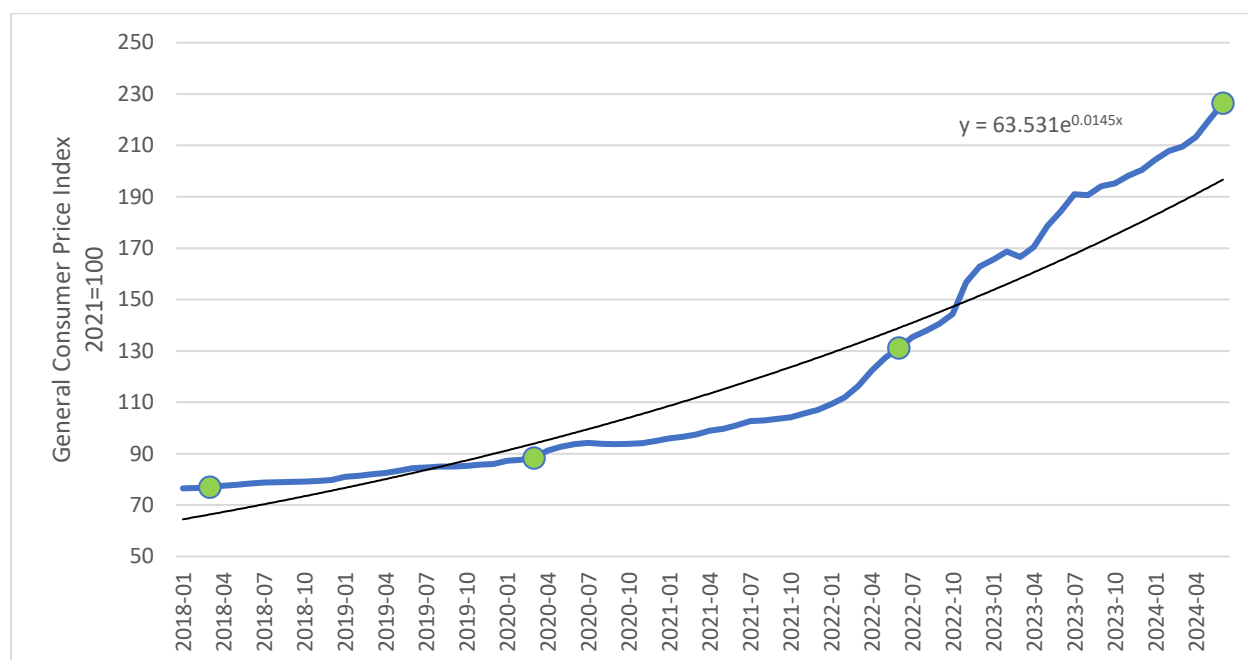
4. RECENT LEVEL OF INFLATION

Between March 2018 and June 2024, prices in Ghana increased significantly. The total increase in prices during this period was 194.1% (see Figure 1). This is the inflation used in this report.

¹ See

https://statsghana.gov.gh/nationalaccount_macros.php?Stats=MTE2MTIyMjQ5Ni41NjY=/webstats/7163p83s71

Figure 1: General Consumer Price Index, Ghana, January 2018 – June 2024



Notes: Green circles indicate the months of the original study and update. The black line is the fitted exponential trendline.
 Source: Authors' calculations based on CPI data from Ghana Statistical Service.

5. UPDATED LIVING WAGES AND FAMILY EXPENSES FOR JUNE 2024

The updated living income for June 2024 is GHC 4,305 (USD 300) per month.

Table 1 provides details of the original and the updated living wages in GHC and USD. Note that the living income in USD shows only a slight increase from June 2022 to June 2024, primarily due to the sharp depreciation of the Ghanaian Cedi during this period.

Table 1: Living income for rural cocoa-growing areas in Ghana (in GHC and US Dollars per month)

	March 2018 Original Report		March 2020 Update Report		June 2022 Uodate Report		June 2024 Update Report	
	GHC	USD	GHC	USD	GHC	USD	GHC	USD
Living Income	1,464	329	1,683	312	2,324	298	4,305	300
Exchange Rate to USD	4.45		5.39		7.80		14.34 ^a	
Inflation mid-2018 to mid 2024	194.1%							

Note: USD values are indicative only, because exchange rates are volatile. ^a Average exchange rate for June 2024.
 Source: Authors' calculations.

6. REFERENCES

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