

'Borga': Why young Ghanaians are moving abroad – Part I

The higher cost of living abroad has not enervated the determination of young Ghanaians to emigrate for *greener pastures*. *Ceteris paribus*, they are more likely to get better pay and benefits for their skills & talents whilst abroad. Moreover, they can live and afford an even better life at home when they return permanently or for vacation with their earnings.



The average net salary (after tax) of a resident of New York is about **\$73,689** per annum. This is about **GH¢614,569** per year.¹



However, the purchasing power of **\$73,689** in New York is not commensurate to **GH¢614,569** in Accra.



\$73,689
(GH¢614,569)
In New York

gives you the same standard of life as

\$20,692
(GH¢172,573)
In Accra

Based on Purchasing Power Parity (PPP) conversion ²



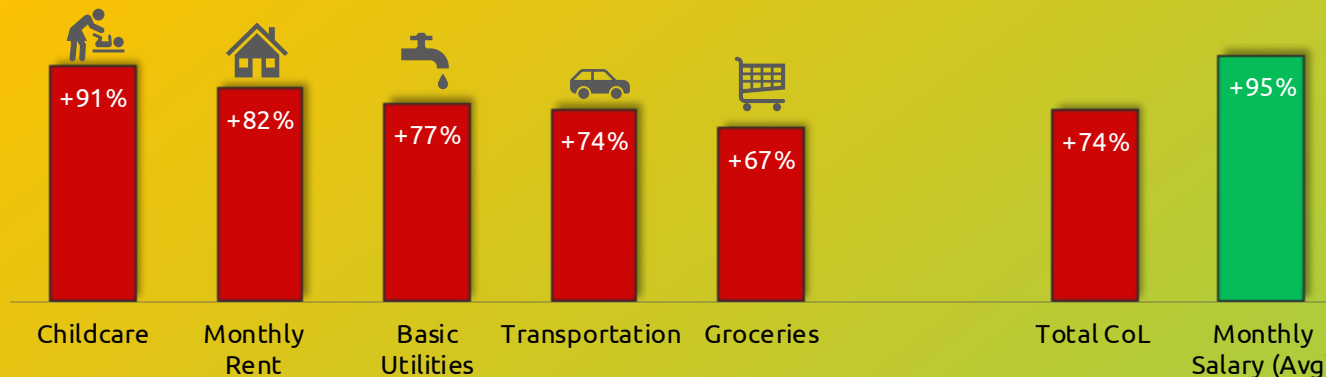
The Cost of Living (Consumer Prices including rent) in New York is **74% higher** than in Accra. However, the local purchasing power of earnings (salaries) in Accra is **82% lower** than in New York.



Low salaries in Accra, with an average of **\$3,500** (GH¢29,192) per year, less than **5%** of what their New York counterparts earn. New Yorkers pay more for goods and services but earn significantly more than those in Accra.



Difference in Cost of Living (CoL) : New York – Accra



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¹ Exchange rate used is GH¢8.34 per dollar as of December 2022

² Purchasing Power Parity is a currency conversion rate which tries to put the purchasing power of different currencies on the same scale by eliminating price level differences among countries, using the 'food basket' approach.