Box 1: Potential Effects of the Increase in the Minimum Wage on Inflation - Report of the Board of Directors to the Congress of Colombia, March 2026

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AUTHORS AND/OR EDITORS Banco de la República Publication Date: Thursday, 10 of September 2026
This box analyzes how a significant increase in the minimum wage may affect inflation. The exercise considers a scenario in which such an increase exceeds past inflation and labor productivity growth by 17.2 percentage points (pp), a magnitude consistent with the adjustment considered for 2026. The objective is to quantify the inflationary contribution attributable to this specific shock, recognizing its unusually significant increase. Accordingly, what follows should not be interpreted as a comprehensive projection of observed inflation, which depends on multiple factors and concurrent shocks, but rather as a measurement of the marginal impact of the minimum wage increase on inflation...

Fuente: https://www.banrep.gov.co/en/publications-research/report-board-directors-congress/box1-march-2026