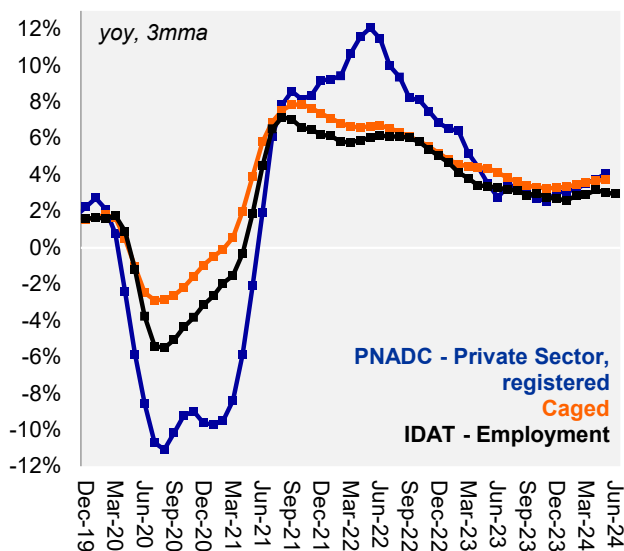


July 4, 2024

## IDAT-Employment and Wage: employed population and wages growth slowing down

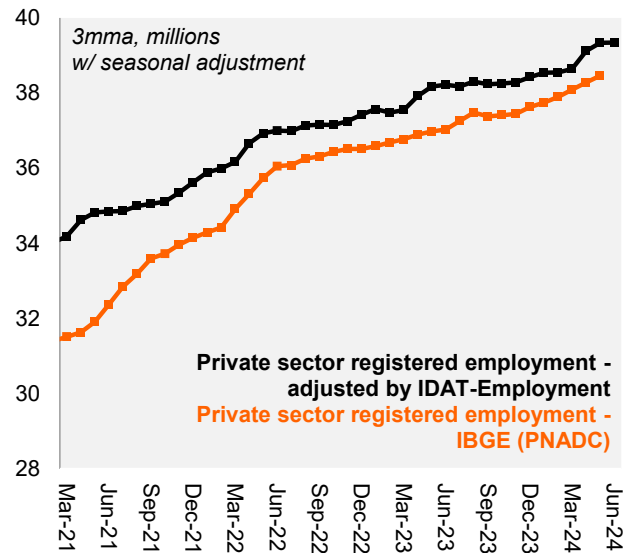
- ▶ In June, the IDAT-Employment, which measures the interannual change in the stock of formal employment in the private sector, decelerated to 2.5%, from 2.8% in May. The growth rate in the 3-month moving average also decelerated to 2.9% (from 3.0%). The employed population remained stable compared to the previous month, seasonally adjusted.
- ▶ The IDAT-Wage, which estimates the interannual change in the average nominal salary of formally hired workers in the private sector, registered a slight deceleration, to 5.0% yoy in June from 5.2% in May, in the 3-month moving average. At the margin, the indicator also decelerated, to 2.0% (from 7.9% in the previous month), but such result should be seen with caution given the high volatility of wages that occurred in the same period last year.
- ▶ **Our view:** June's IDAT-Employment continues to indicate resilience of formal employment, despite some growth moderation at the margin, underscoring our expectation that the unemployment rate will remain close to historically low levels in the coming months. Wages ended the second quarter at a lower level than that observed at the beginning of the year, but still with adjustments above inflation.

**IDAT-Employment<sup>1</sup> shows resilience in the labor market (in yoy 3mma terms)...**



Source: IBGE, Ministry of Labor, Itaú

**... while the employed population remained stable**

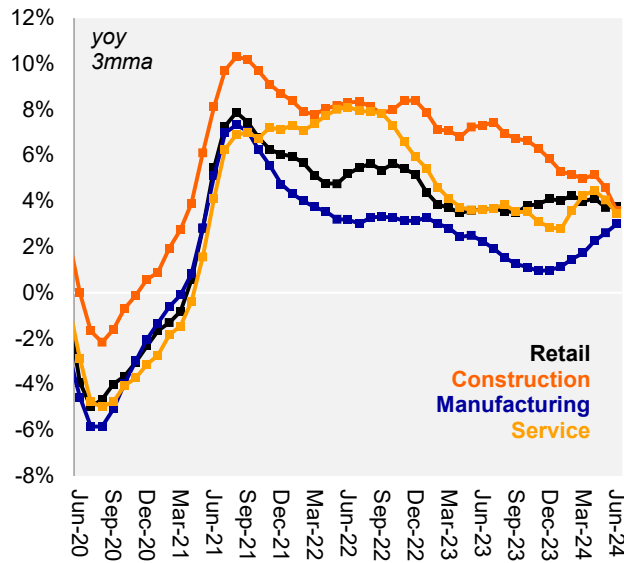


Source: IBGE, Itaú

<sup>1</sup> Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

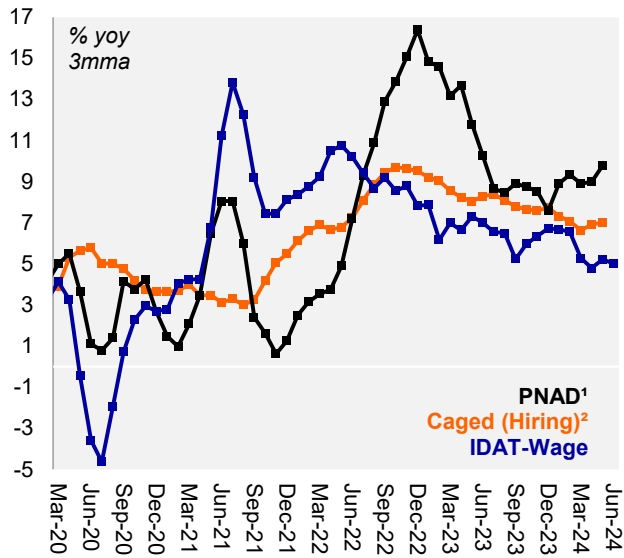


**Construction and services were the negative highlights of the employed population in June**



Source: Itaú

**IDAT-Wage with a small deceleration in June**



<sup>1</sup> Effective income from all jobs

<sup>2</sup> Changes are based on the median, starting in 2020

Source: IBGE, Ministry of Labor, Itaú

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