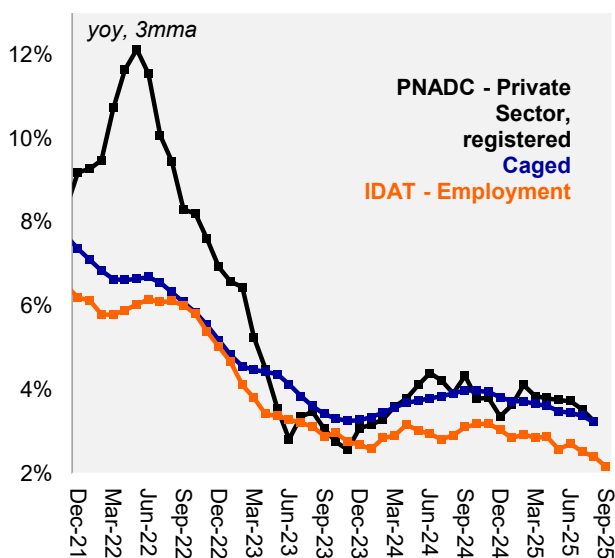


## IDAT-Employment and Wage: employment and wages remain on a decelerating trend

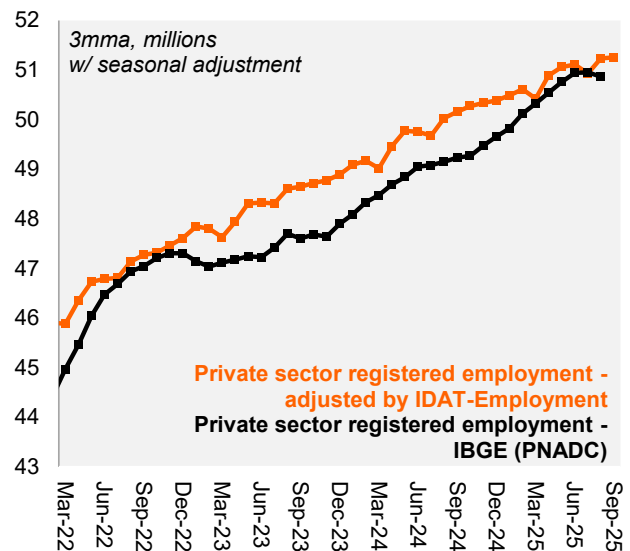
- ▶ In September, the IDAT-Employment, which measures the year-over-year variation in the stock of formal employment in the private sector, maintained a growth pace of 2.1%. The growth rate of the 3-month moving average continued to decelerate to 2.2%, from 2.4%. At the margin, the employed population was virtually stable versus the previous month, seasonally adjusted.
- ▶ The IDAT-Wage, which estimates the year-over-year change in the average nominal salary of formally hired workers in the private sector, slowed to 4.5% in September, from 4.7% in the previous month. On the 3-month moving average — a smoother indicator, particularly useful in times of greater volatility — wages also decelerated to 5.2%, from 5.6% in the prior month.
- ▶ **Our view:** September's IDAT-Employment indicates early signs of softening in labor market conditions. The employed population remains on a positive annual growth path, but at a more moderate pace than in recent months. Wage growth has also slowed, yet remains elevated, around 5% y/y since last year. These figures reinforce our expectation of a slight increase in the unemployment rate by year-end. Even so, unemployment should remain at historically low levels, with still high wages supporting household consumption.

**IDAT-Employment<sup>1</sup> decelerated in the 3-month moving average...**



Source: IBGE, Ministry of Labor, Itaú

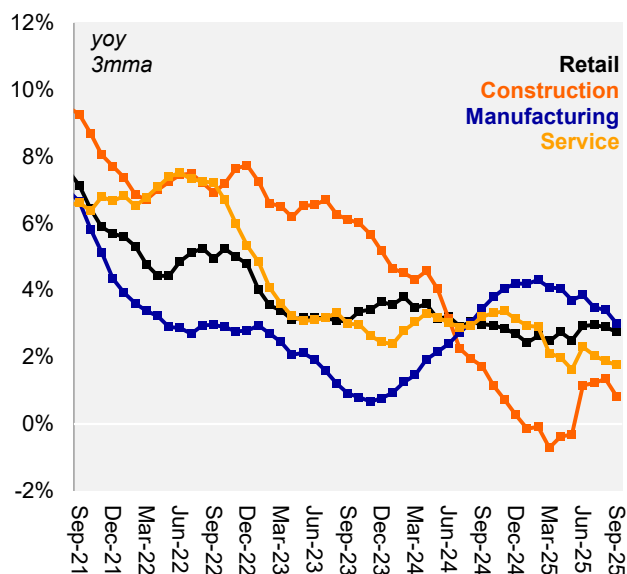
**... with the employed population stable at the margin**



Source: IBGE, Itaú

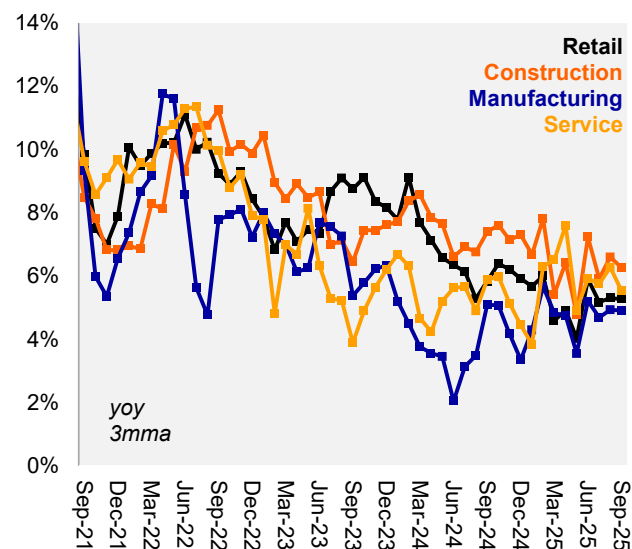
<sup>1</sup> Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

## All sectors showed a deceleration in employment...



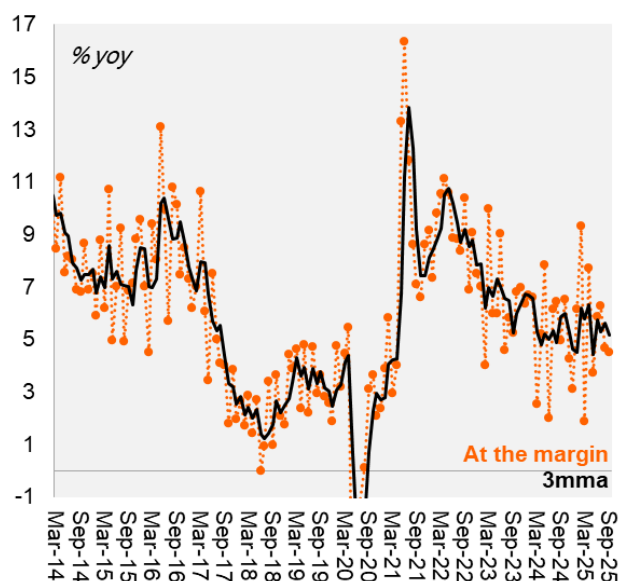
Source: IBGE, Ministry of Labor, Itaú

## ... and wages



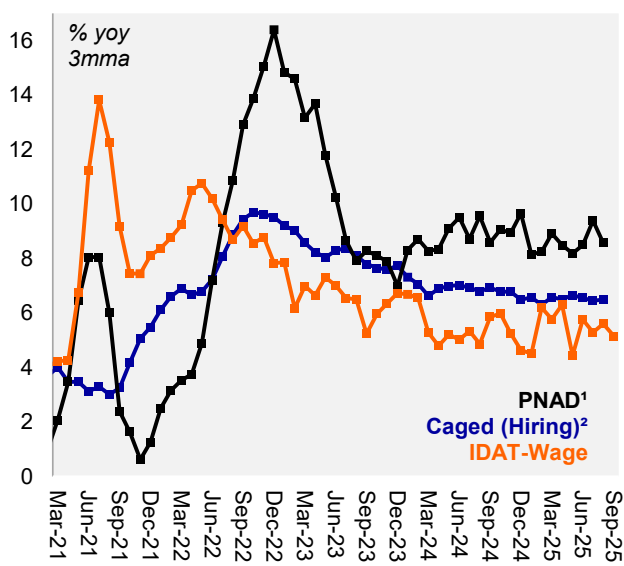
Source: IBGE, Ministry of Labor, Itaú

## IDAT-Wages decelerating at the margin...



Source: IBGE, Ministry of Labor, Itaú

## ... and in the 3-month moving average



Source: IBGE, Ministry of Labor, Itaú

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

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

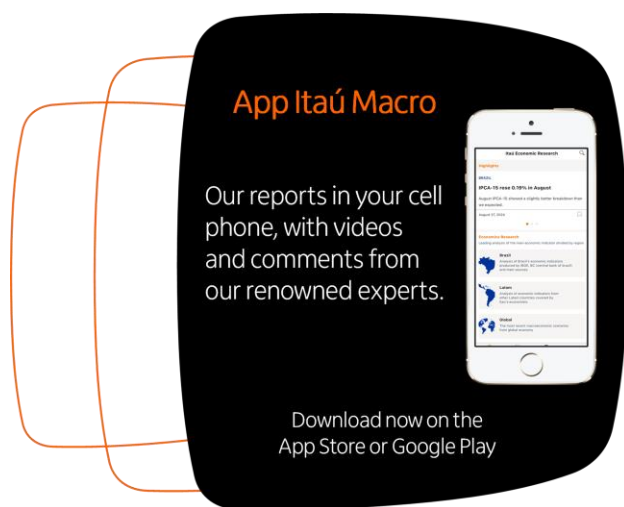
Natalia Cotarelli  
Marina Garrido

## Macro Research – Itaú

### Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:

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