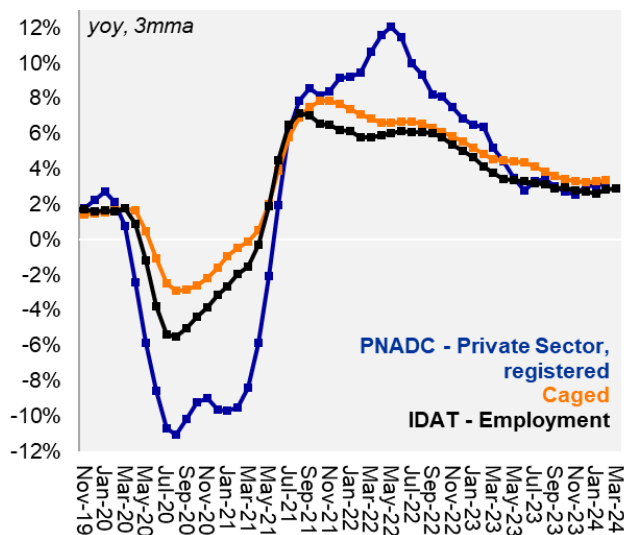


April 8, 2024

IDAT-Employment and Wage: employed population and wage readjustments slow down

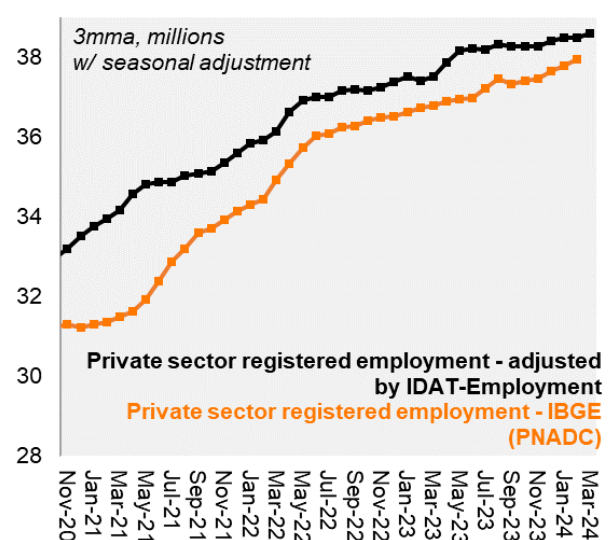
- ▶ In March, the IDAT-Employment, which measures the interannual change in the stock of formal employment in the private sector, grew 2.8%, a slowdown from 3.2% in February. The growth rate in the 3-month moving average remained stable at 2.9%. The employed population remained virtually stable compared to the previous month, with seasonal adjustment.
- ▶ The IDAT-Wage, which estimates the interannual change in the average nominal salary of formally hired workers in the private sector, registered a steep deceleration to 5.3% in March, from the 6.6% print in the previous month, in the 3-month moving average. At the margin, the indicator slowed to 2.6% yoy in March from 6.6% yoy in the previous month, but the result should be viewed with caution given the high volatility of wages in the same period of last year. It's worth noting that in the seasonally adjusted series, average wages continued to grow (+0.6% mom/sa)
- ▶ **Our view:** March's IDAT-Employment continues to indicate resilience in formal employment, corroborating our expectation that the unemployment rate will remain close to 7.8%. Wages, on the other hand, have seen a sharp slowdown, which may just be a payback in the year-over-year variation. It's worth carefully monitoring the performance of wages over the next few months to see if this is a one-off movement or a change in trend.

IDAT-Employment¹ shows resilience in the labor market (in yoy 3mma terms)...



Source: IBGE, Ministry of Labor, Itaú

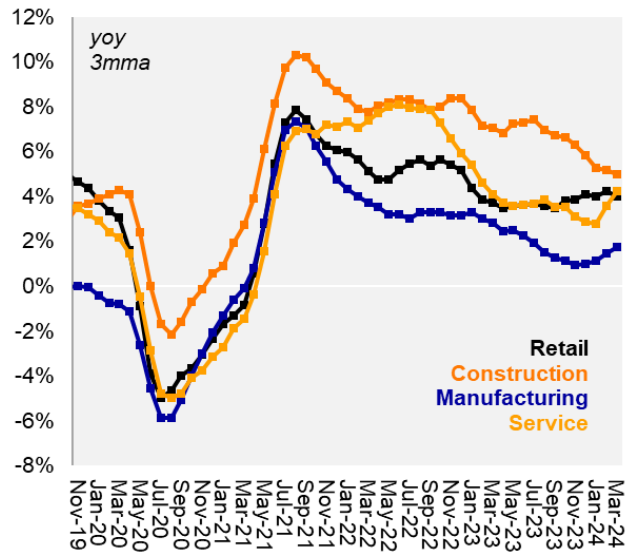
... but with virtually no change of the employment level at the margin



Source: IBGE, Itaú

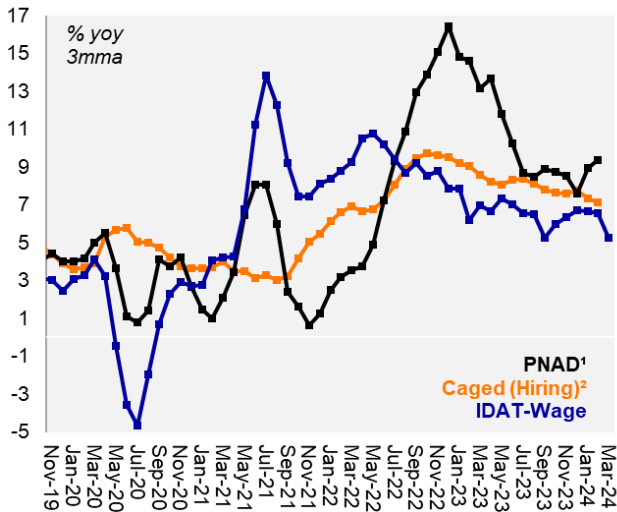
¹ Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

Services with stronger acceleration in the last two months



Source: Itaú

IDAT-Wage slowed down significantly in March



¹ Effective income from all jobs

² Changes are based on the median, starting in 2020

Source: IBGE, Ministry of Labor, Itaú

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