

IDAT Wage Same Person Tracker

- ▶ We present the IDAT Wage SPT (Same Person Tracker), a new measure of nominal wage growth, based on Itaú's proprietary data. The new indicator corresponds to the median of the percentage changes in each individual's earnings over a 12-month interval. The construction – unprecedented for the Brazilian labor market and inspired by the [Atlanta Federal Reserve's Wage Growth Tracker](#) – neutralizes the composition effect that affects average-wage indicators and offers a reading closer to the adjustment actually perceived at the individual level.
- ▶ The IDAT Wage SPT complements the traditional IDAT Wage. While the IDAT Wage reflects the change in the average wage of all the companies that process their payroll at Itaú, the IDAT Wage SPT reflects the median of individual wage changes. The two readings are complementary and, together, make it possible to identify when the change observed in payroll stems from an individual adjustment and when it reflects changes in the composition of the base.
- ▶ Tracking individuals' earnings over time allows us additional readings that enrich our understanding of the Brazilian labor market. For example, we are able to decompose the set of workers into *stayers* (those who are with the same employer in t and $t-12$) and *switchers* (those who changed employer during the period), and thereby obtain a proxy for the turnover wage premium – we find that *switchers* receive a systematic premium over *stayers* (~3 p.p. currently, with a peak of ~6 p.p. in 2022). In addition, the share of *switchers* in the base (a proxy for turnover intensity) has a strong negative correlation with the unemployment rate reported by PNAD (-0.93 over the last 7 years).
- ▶ **Our view:** in May, the IDAT Wage SPT changed 7.6% YoY nominal, recovering from the recent low of 6.5% (1Q25). The configuration combines a pace of individual wage growth in recovery and unemployment at historic lows and is consistent with a labor market that is still tight.

Concept: what the IDAT Wage SPT is

The IDAT Wage SPT is the median of the wage changes (w), over a 12-month interval of each individual i that belongs to I_t (the set of individuals in the sample in the period).

$$\Delta w_{i,t} = \frac{w_{i,t} - w_{i,t-12}}{w_{i,t-12}} \times 100 \quad (1)$$

$$\text{SPT}_t = \text{med}_{i \in I_t} (\Delta w_{i,t}) \quad (2)$$

The choice of the median – rather than the mean – prevents extraordinary gains (bonuses, profit sharing, job changes) from affecting the indicator without reflecting the worker's typical adjustment.

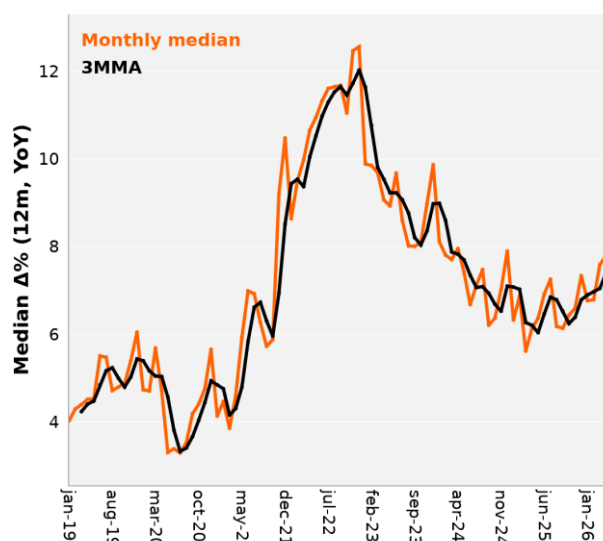
Difference relative to the IDAT Wage

The IDAT Wage reflects the growth of the average wage. This construction combines two signals: the change in individual wages and the change in the composition of the base (who enters, who leaves, and with what weight each profile appears at each end). The IDAT Wage SPT, by comparing the same individual at both ends (the same individual in t and in $t-12$), neutralizes the composition effect and isolates the pure wage component, that is, how much compensation actually grew for those who remained observable. Read together, they separate wages from workforce composition.

Main monitor: trajectory of the IDAT Wage SPT

The chart below shows the growth of the IDAT Wage SPT. The trajectory tracks the macroeconomic cycle of the Brazilian labor market over the last seven years: a floor of 3.32% during the first months of the COVID-19 pandemic, continuous acceleration up to the peak near 13% at the end of 2022, signaling pronounced tightening and competition for labor, and cooling throughout 2023 and 2024, with a recent low of 6.5% in 1Q25, followed by a gradual recovery up to 7.6% at the margin.

Monthly median and moving average (3m) of the individual 12-month wage change

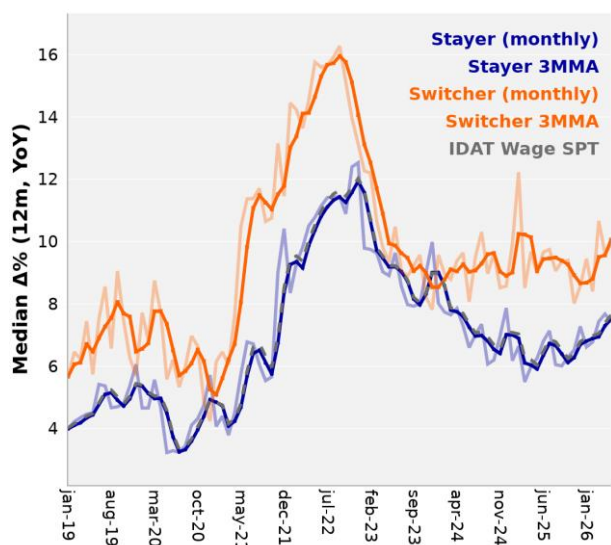


Source: Itaú

Stayer × switcher decomposition

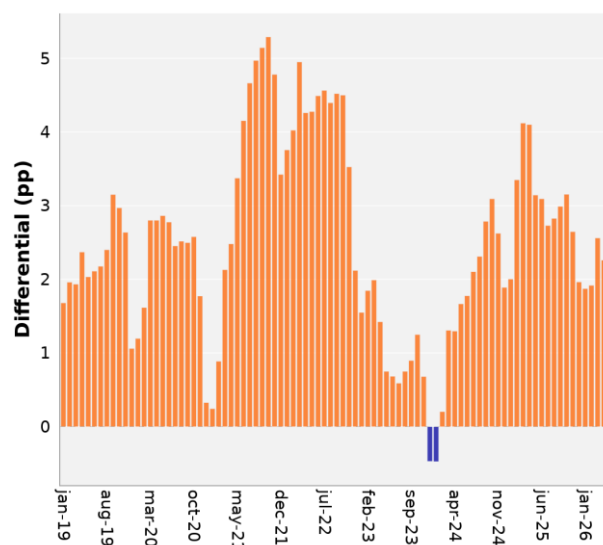
Each month, individuals are classified as *stayer* (was at the same company in t and $t-12$) or *switcher* (a different company between the two months). The decomposition is valid because the two groups respond to distinct forces. The wage change of the *stayers* reflects adjustments associated with collective or individual bargaining, inflation pass-through, and internal compensation policies. The wage change of the *switchers* reflects the marginal price paid by companies to attract workers who are changing jobs or workers who were unemployed and are migrating to a new job. The wage change of the *switchers* is systematically higher than that of the *stayers*, suggesting a premium received by those who change jobs.

IDAT Wage SPT by employment type (3MMA): stayer and switcher



Source: Itaú

Job-change premium: switcher – stayer (in percentage points)



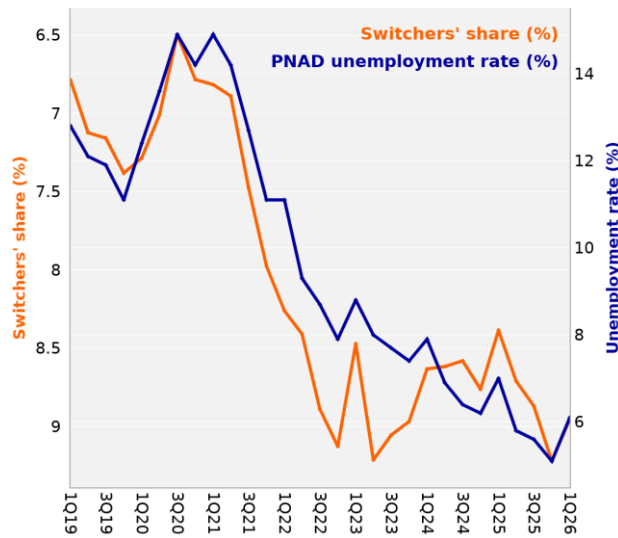
Orange bars: IDAT Wage SPT - switcher above IDAT Wage SPT - stayer; blue: IDAT Wage SPT - stayer above IDAT Wage SPT - switcher

Source: Itaú

Indeed, the job-change premium fluctuated between 2 and 4 p.p. for most of the period and reached a peak near 6 p.p. at the beginning of 2022, when the median change in the compensation of *switchers* reached about 16% YoY versus about 12% for the compensation of *stayers*. In the most recent month of the series, the median change in the compensation of *switchers* was close to 11% while that of the *stayers* was around 8%. The persistence of the premium even in periods of labor market slack is intuitive: it indicates that changing jobs is typically accompanied by wage gains; the magnitude of this premium, however, changes according to the cycle.

The share of *switchers* – workers who changed employer over the 12-month horizon – operates between 6% and 9% in the recent period and serves as a reading of turnover intensity within the formal market. The chart below compares the quarterly share of *switchers* with the unemployment rate measured by Continuous PNAD.

Share of switchers × unemployment rate



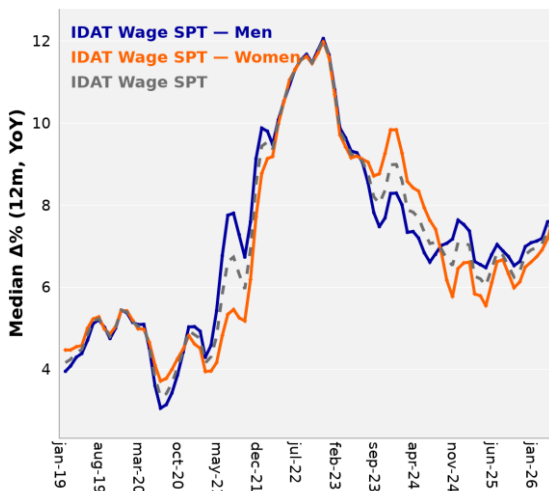
Source: Itaú and IBGE. Left axis inverted

The simultaneous correlation between the percentage of *switchers* and unemployment is -0.93. Between 2019 and 2021, the share stayed between 6.5% and 7.4%, while unemployment remained above 11%. Between 2022 and 2023, the percentage rose to 8.4% to 9.2% and unemployment fell to the 7% to 8% range. Between 2024 and 2026, the share of *switchers* was close to 9% and unemployment reached historic lows.

IDAT Wage SPT by gender: dynamics of the differential

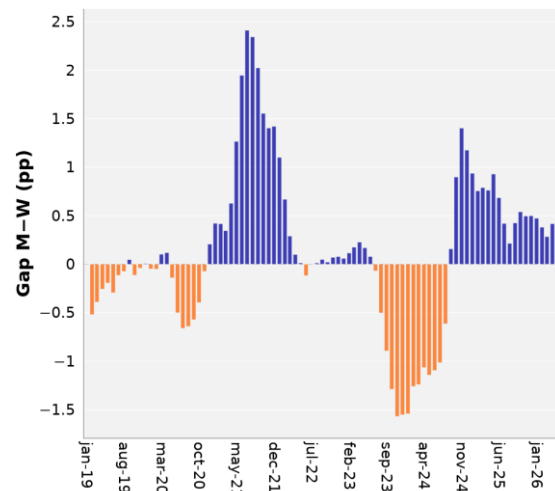
The breakdown by gender is informative because the differential in the pace of adjustment responds differently across different phases of the economic cycle. The panel below compares the median wage growth between men and women.

Growth of the IDAT Wage SPT by gender



Source: Itaú

Gender gap in the growth of the IDAT Wage SPT: Male – Female (3MMA, in percentage points)



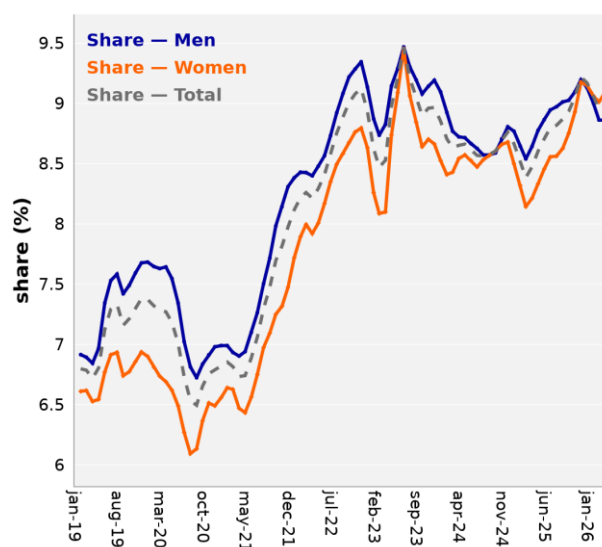
Blue bars: IDAT Wage SPT - men above IDAT Wage SPT - women; orange: IDAT Wage SPT - women above IDAT Wage SPT - men

Source: Itaú

In periods of a tight market (2021 and 2022), men's wage growth exceeded that of women. In 2023 and 2024, the relationship reversed, with women better absorbing the end-of-cycle adjustment. In 2025 and 2026, the median wage of men once again grows marginally above that of women. The central reading, however, is that the two series move close in magnitude, with the difference oscillating around zero and not exceeding 2.5 p.p..

Turnover intensity, on the other hand, is systematically distinct between genders, with men changing jobs more frequently than women throughout practically the entire series.

Share of switcher (3MMA), by gender

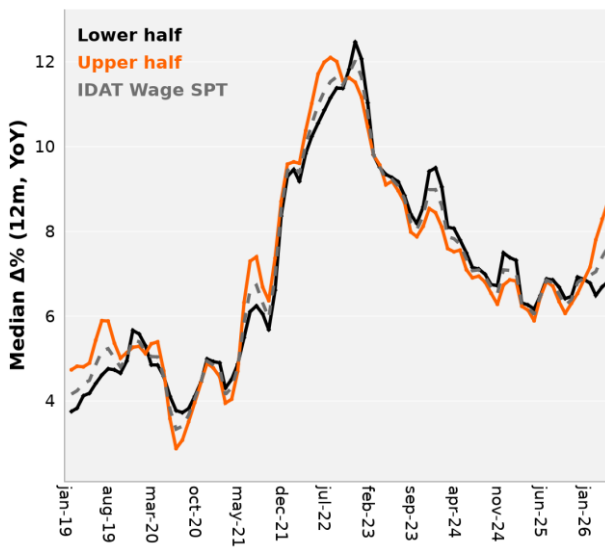


Source: Itaú

IDAT Wage SPT: Lower Half × Upper Half

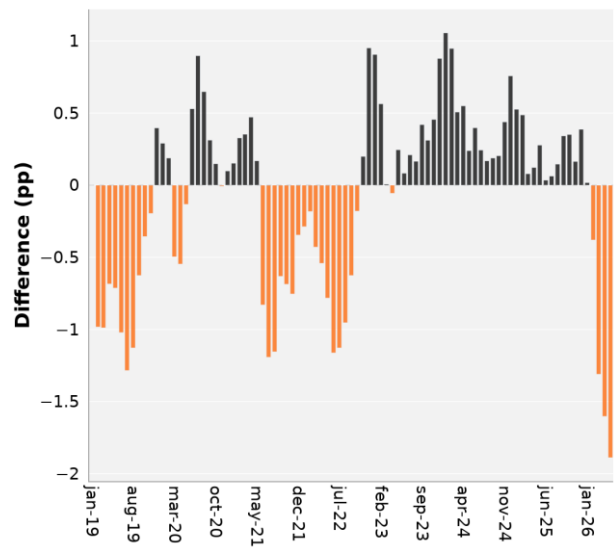
The last decomposition we will present divides workers into two income-level groups. In each month t , we calculate the average wage in t and the wage in $t-12$ of all individuals and divide them into 2 equally sized groups: Lower Half (the lowest 50%) and Upper Half (the highest 50%).

IDAT Wage SPT: Lower Half x Upper Half (3MMA)



Source: Itaú

Gap: Lower Half – Upper Half (3MMA, in percentage points)



Black bars: IDAT Wage SPT - lower half above IDAT Wage SPT - upper half; orange: IDAT Wage SPT - upper half above IDAT Wage SPT - lower half

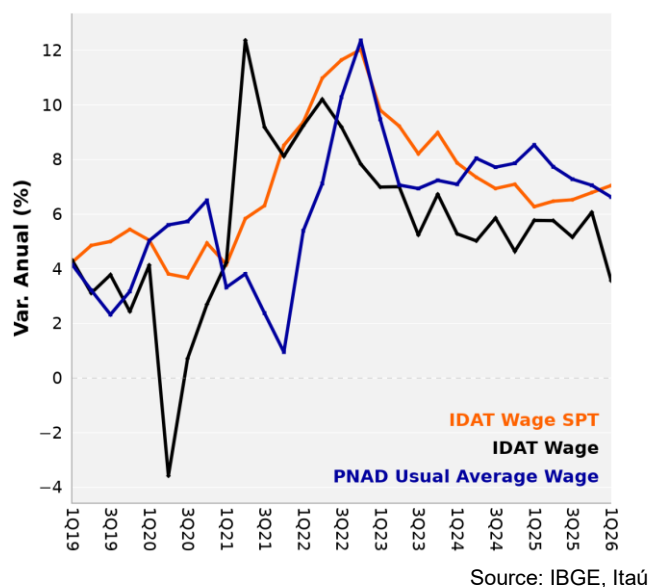
Source: Itaú

During the peak of labor market tightening (2021 and 2022), the median wage of the upper half grew slightly above the median wage of the lower half, indicating that companies were rewarding more qualified profiles. In 2024 and early 2025, the relationship reversed: the median wage of the lower half began to grow marginally above, which signals that the residual tightening in the labor market is concentrated more in the low wage levels. Throughout 2026, a new reversal is observed – this time more pronounced: the median wage of the upper half once again pulled upward, accelerating relative to the start of the year, while the lower half remained relatively stable. The difference, which was practically nil in January, widened in favor of the upper half, suggesting that recent wage pressure has reconcentrated in the more qualified and higher-paid profiles, in contrast with the balance observed in 2025.

IDAT Wage SPT, IDAT Wage and PNAD: three complementary readings

Finally, the panel below contrasts the IDAT Wage SPT with two benchmarks: the Itaú IDAT Wage and the nominal average earnings from the PNAD - Quarterly Nominal Usual Average Wage.

Quarterly nominal panel: IDAT Wage SPT vs IDAT Wage vs PNAD Usual Average Wage



The IDAT Wage is more volatile because it carries the composition effect. The IDAT Wage SPT, being the median of individual changes, shows a smoother trajectory, particularly during the COVID-19 shock of 2020 and 2021, when the IDAT Wage fluctuated abruptly and the IDAT Wage SPT maintained a more stable reading.

Currently, the three series operate at a more compressed level than at the 2022-2023 peak, with the volatility contrast persisting: in the first quarter of 2026 the IDAT Wage retreated to 3.6%, versus 6.1% in the previous quarter, while the IDAT Wage SPT remained around 7.3% and the nominal usual PNAD decelerated mildly to 6.6%. Thus, the IDAT Wage SPT continues to signal resilient wage growth, close to the PNAD reference, while the IDAT Wage keeps capturing changes in the composition of the base.

Conclusions

The IDAT Wage SPT offers an unprecedented perspective on the Brazilian labor market. Inspired by the methodology of the Atlanta Federal Reserve's Wage Growth Tracker, the indicator tracks the wage change of the same individual over twelve months. With this, the IDAT Wage SPT isolates pure wage growth and neutralizes the composition effect that is present in aggregate averages: who enters, who leaves, and with what weight each profile appears at each end. Owing to its breadth, the IDAT Wage SPT allows breakdowns that traditional indicators cannot reach: by job tenure (*stayers* vs. *switchers*), by wage-level bracket and by gender, offering a detailed and timely reading of the country's wage dynamics.

In the most recent reading, for the first quarter of 2026, the IDAT Wage SPT records nominal growth of 7.6% in annual terms, with the group of *switchers* around 11% and that of *stayers* close to 8%, implying a premium of about 3 percentage points. The share of *switchers* remains around 9%, while the unemployment rate is at historic lows. This body of evidence points to a labor market that is still tight, with the IDAT Wage SPT in recovery, a relevant premium for mobility between jobs, and historically high turnover.

We will begin releasing this wage metric together with the IDAT-Employment and Wage family, in the first business days of each month.

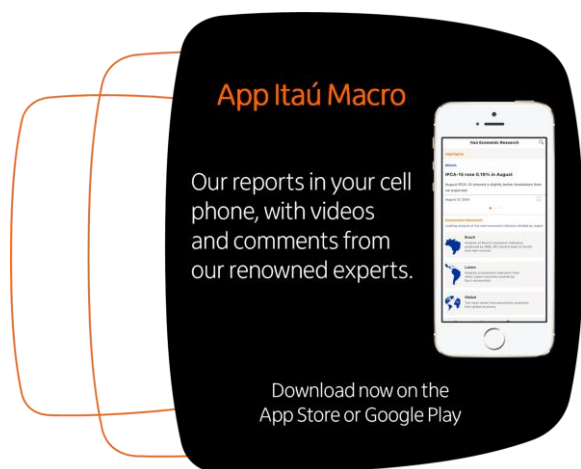
Priscilla Burity
Victor Dias

Macro Research – Itaú

Mario Mesquita – Chief Economist

To access our reports and forecast visit our website:

<https://www.itaubpa.com.br/macroeconomic-analysis>



Relevant Information

1. This report has been prepared and released by the Macro Research Department of Itaú Unibanco S.A. ("Itaú Unibanco"). This report is not a product of the Equity Research Department of Itaú Unibanco or Itaú Corretora de Valores S.A. and shall not be construed as a research report ("relatório de análise") for the purposes of Article 1 of the CVM Instruction NR. 20, dated 2021.
2. The exclusive purpose of this report is to provide macroeconomics information and it does not constitute and shall not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial product, or to participate in any particular trading strategy in any jurisdiction. The information herein is believed to be reliable as of the date on which this report was released and it has been obtained from public sources believed to be reliable. However, Itaú Unibanco does not make any explicit or implied representation or warranty as to the completeness, reliability or accuracy of such information, nor does this report intend to be a complete statement or summary of the markets or developments referred to herein. Itaú Unibanco has no obligation whatsoever to update, modify or amend this report and inform the reader accordingly.
3. The opinions contained herein reflect exclusively the personal views of the analyst responsible for this report and were prepared independently and autonomously, including in relation to Itaú Unibanco, Itaú Corretora de Valores S.A. and any other companies within their economic group.
4. This report may not be reproduced or redistributed to any other person, in whole or in part, for any purpose, without the prior written consent of Itaú Unibanco. Additional information on the financial products mentioned in this report may be available upon request. Itaú Unibanco and/or any other company within its economic group is not and shall not be liable for any investment decisions (or otherwise) based on the information provided herein.
5. This report may include sections generated with the support of artificial intelligence tools. All content has been reviewed and validated by the authors to ensure the accuracy and integrity of the information presented.

Additional Note: This material does not take into consideration the objectives, financial situation or specific needs of any particular client. Clients must obtain financial, tax, legal, accounting, economic, credit and market advice on an individual basis, based on their personal characteristics and objectives, prior to making any decision based on the information contained herein. By accessing the material, you represent and confirm that you understand the risks related to the financial instruments described in this material and the laws in your jurisdiction relating to the provision and sale of financial service products. You acknowledge that this material contains proprietary information and you agree to keep this information confidential for your exclusive use.

SAC Itaú: For inquiries, suggestions, complaints, criticisms and compliments, talk to Itaú's CSCC: 0800 728 0728. Or contact us through our portal <https://www.itaubpa.com.br/atendimento-itaubpa-para-voce/>. If you are not satisfied with the proposed solution, please contact the Itaú Corporate Ombudsman: 0800 570 0011 (on weekdays from 9 AM to 6 PM) or our PO Box 67.600, São Paulo-SP, Zip Code 03162-971. Hearing impaired, every day, 24h, 0800 722 1722.