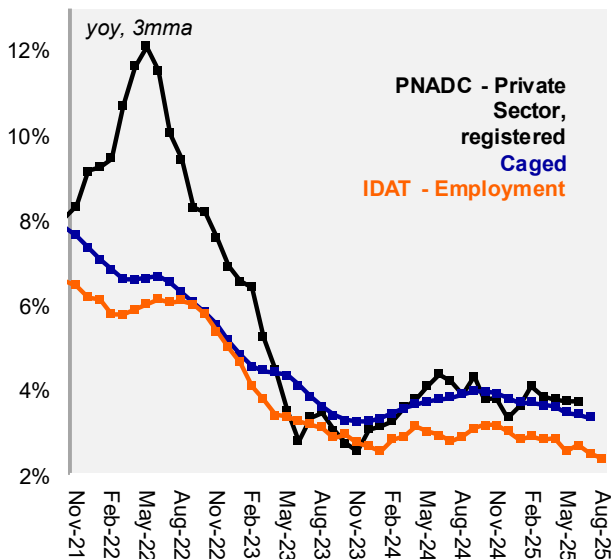


## IDAT-Employment and Wage: employment and wages slowed down in August

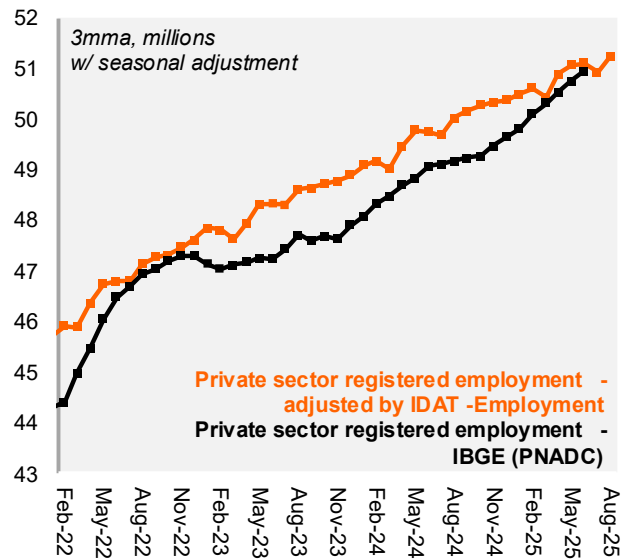
- ▶ In August, the IDAT-Employment, which measures the year-over-year variation in the stock of formal employment in the private sector, decelerated to 2.1%, from 2.3% in the previous month. The growth rate of the 3-month moving average also slowed slightly, to 2.4% from 2.5%. At the margin, the employed population grew 0.6% compared to the previous month, seasonally adjusted, offsetting the decline observed in July.
- ▶ 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 4.7% in August, from 6.3% in the previous month. However, the 3-month moving average — a smoother indicator, particularly useful in times of greater volatility — accelerated to 5.6%, from 5.3% in the previous month.
- ▶ **Our view:** The August IDAT-Employment indicates that the improvement in the labor market has been losing strength. On a 3-month moving average basis, the employment growth rate slowed to 2.4% y/y (from 2.5%). Nonetheless, in terms of levels, the employed population continued to expand, suggesting that the unemployment rate should remain at historically low levels in the coming months. Wages showed a slight acceleration in the 3-month moving average, hovering around 5% since last year. These figures reinforce our expectation that the labor market will remain tight through year-end, with wage dynamics supporting household consumption.

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



Source: IBGE, Ministry of Labor, Itaú

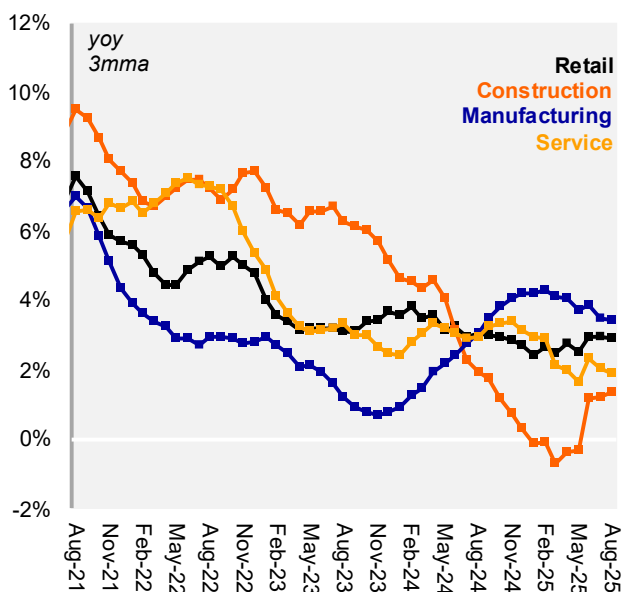
**... with the employed population increasing at the margin, offsetting July's decline**



Source: IBGE, Itaú

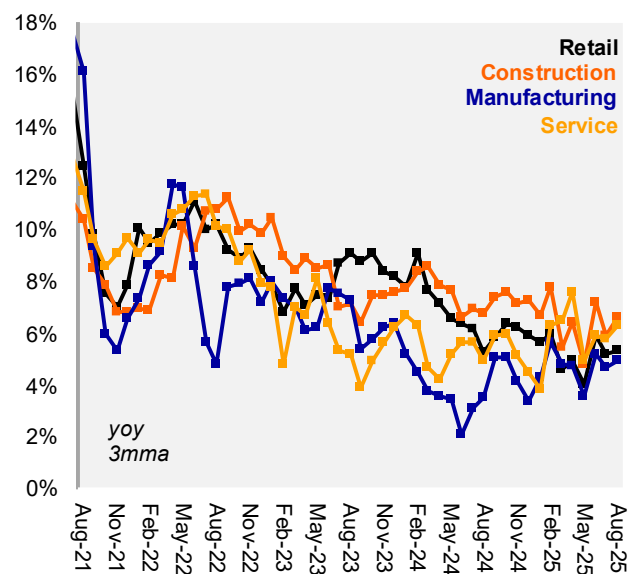
<sup>1</sup> Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

**In employment, sectors remained broadly flat, with a slowdown in services**



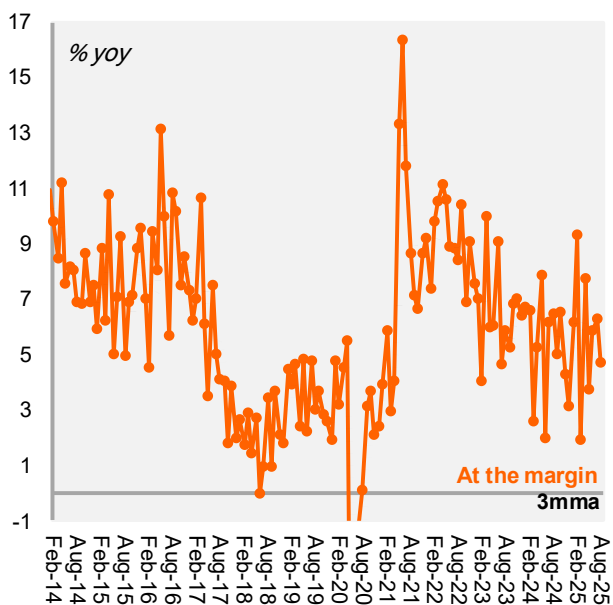
Source: IBGE, Ministry of Labor, Itaú

**In wages, there was a slight acceleration, widespread across sectors**



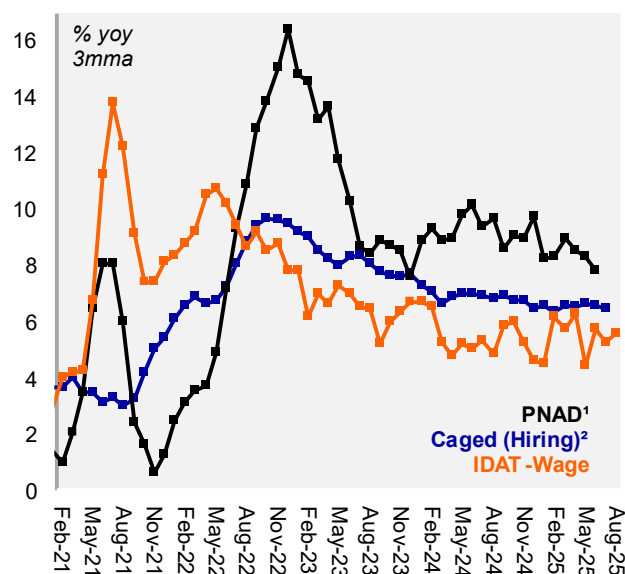
Source: IBGE, Ministry of Labor, Itaú

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



Source: IBGE, Ministry of Labor, Itaú

**... but with a slight improvement 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

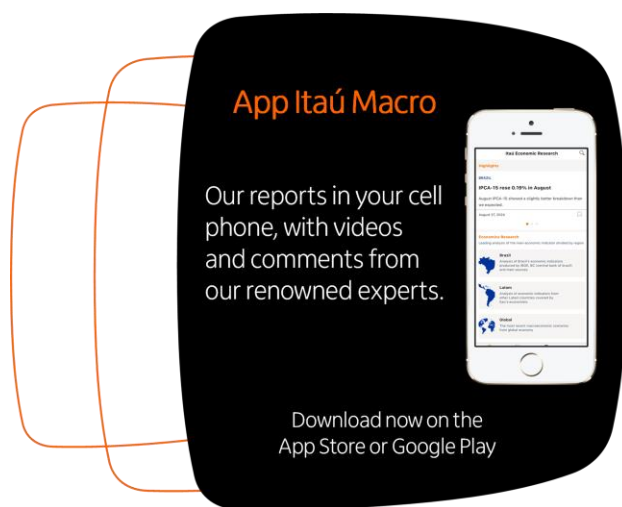
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