The economic crisis triggered by the COVID-19 pandemic led to a historical decrease of 4.1 percent in GDP and the loss of more than 10 million jobs during the first three quarters of 2020. The services sector, home to a large share of the informal and low-skilled workforce, contracted by -4.5 percent. Poverty was expected to surpass the 2019 rate of 19.6 percent ($5.50 per day in 2011 PPP terms), as observed in most countries in the region. However, the launch of a large emergency cash program led to lower poverty rates. The expected economic recovery in 2021 is not likely to keep poverty levels in a downward trend. Moreover, food insecurity - already higher in 2020 than 2019- may continue to increase without stronger support among low-income households or if the recovery does not ramp up substantially.
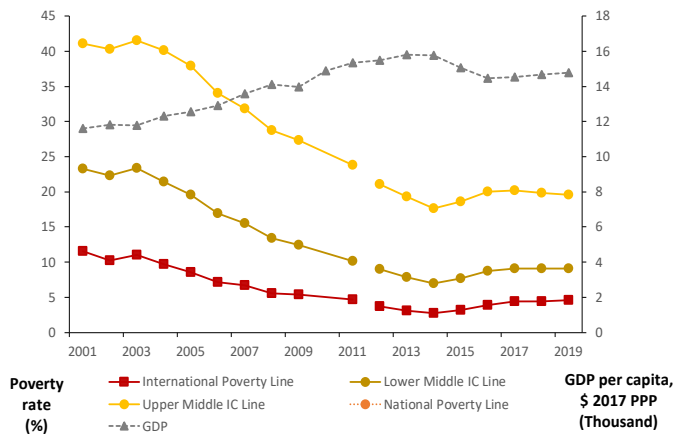
By 2019, the income of the most vulnerable in Brazil was lower than it was at the onset of the 2014-16 recession. Between 2014 and 2019, the slow job creation and limited expansion of the country's safety net likely contributed to 5.7 million individuals falling into poverty, and 4.2 million into extreme poverty (earning less than $1.90 per day 2011 PPP). Unemployment rates almost doubled and reached 11 percent in Q4 2019, with women, especially AfroBrazilian women, performing worse (13.1 and 18.8 percent, respectively) than men. Unfortunately, during the same period, the average number of families receiving benefits from Brazil's main safety net program dropped by about 200,000.

Inequality in Brazil, measured by the Gini index, was largely unchanged between 2019 (53.4) and 2012 (53.5). Racial disparities in access to services continue to be of concern: about 15 percent of the AfroBrazilian population reside in dwellings without a water network connection (compared to 9 percent in the rest of the population) and an 18 percent suffer from unimproved sanitation facilities (9 percent among other groups). Spatial inequalities in Brazil are also worth highlighting. The north region is the least developed, with poverty rates of 35.3 percent, almost twice the national average. In contrast, in the south, poverty is 7.7 percent. About half of the children under 18 years old living in the northern region are considered poor. Since about 28 percent of them do not have internet access at home, their prospects to learn during the recent school closures are low – thus further shedding light on the persistence of intergenerational immobility.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	N/A	N/A	N/A
International Poverty Line 4.9 in Brazilian real (2019) or US$1.90 (2011 PPP) per day per capita	9.7	4.6	2019
Lower Middle Income Class Poverty Line 8.3 in Brazilian real (2019) or US$3.20 (2011 PPP) per day per capita	19.2	9.1	2019
Upper Middle Income Class Poverty Line 14.3 in Brazilian real (2019) or US$5.50 (2011 PPP) per day per capita	41.4	19.6	2019
Multidimensional Poverty Measure		5.3	2019
SHARED PROSPERITY			
Annualized Income Growth per capita of the bottom 40 percent		-1.29	2014-2019
INEQUALITY			
Gini Index		53.4	2019
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.41	2014-2019
GROWTH			
Annualized GDP per capita growth		-1.28	2014-2019
Annualized Income Growth per capita from Household Survey		0.12	2014-2019
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		0.02	2014-2019

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2021, and Global Monitoring Database for the rest.
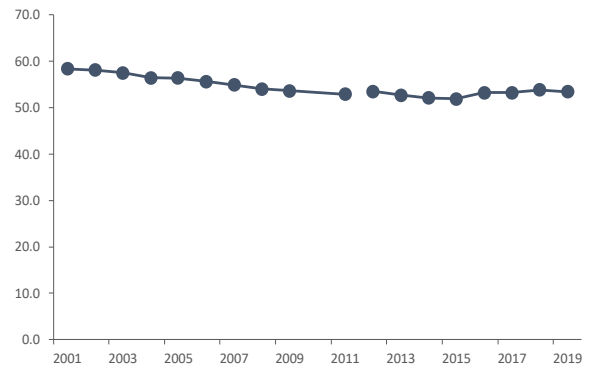
POVERTY HEADCOUNT RATE, 2001-2019

Poverty rate (%)
- ■ International Poverty Line
- ● Upper Middle IC Line
- ▲ GDP
- ● Lower Middle IC Line
- ○ National Poverty Line

GDP per capita, $ 2017 PPP (Thousand)

Source: World Bank using PNADC-E1/SEDLAC/GMD

INEQUALITY TRENDS, 2001-2019

Gini Index

Source: World Bank using PNADC-E1/SEDLAC/GMD

KEY INDICATORS

Distribution among groups: 2019	Upper Middle Income line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	84	16	36	64
Rural population	61	39	62	38
Males	80	20	40	60
Females	80	20	40	60
0 to 14 years old	65	35	61	39
15 to 64 years old	82	18	38	62
65 and older	96	4	16	84
Without education (16+)	78	22	46	54
Primary education (16+)	78	22	44	56
Secondary education (16+)	84	16	38	62
Tertiary/post-secondary education (16+)	97	3	10	90

Source: World Bank using PNADC-E1/SEDLAC/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2019	(% of population)
Monetary poverty (Income)	
Daily income less than US$1.90 per person	4.6
Education	
At least one school-aged child is not enrolled in school	0.4
No adult has completed primary education	16.0
Access to basic infrastructure	
No access to limited-standard drinking water	1.7
No access to limited-standard sanitation	N/A
No access to electricity	0.2

Source: World Bank using PNADC-E1/SEDLAC/GMD

POVERTY DATA AND METHODOLOGY

To make meaningful international comparisons, poverty is calculated using the same methodology across countries, that is, using the same consumption or income aggregate and poverty line. For this purpose, the World Bank publishes poverty rates calculated using three poverty lines: $1.90, $3.20, and $5.50 per person per day, in 2011 PPP terms. Brazil does not have an official poverty methodology, but the National Statistical Office (IBGE) has published national poverty rates based on several administrative and international lines.

The household survey used to calculate poverty since 2001, the PNAD, was replaced by the PNAD-Continua (PNADC) in 2012. These two surveys are not strictly comparable. This limits the extent to which poverty and inequality dynamics before and after 2012 can be analyzed.

HARMONIZATION

The numbers presented in the brief are based on the regional data harmonization effort known as the Socio-economic Database for Latin America and the Caribbean (SEDLAC) - a joint effort of the World Bank and CEDLAS from the National University of La Plata (Argentina). SEDLAC includes 18 countries and more than 300 household surveys since the 80s. Several Caribbean countries have not been included in the SEDLAC project due to lack of data. Since an income-based welfare aggregate is widely used in the region for official poverty estimates, income-based microdata is used for the Global Monitoring Database (GMD) and Global Poverty Monitoring. SEDLAC covers demographics, income, employment, and education. Terms of use of the data adhere to agreements with the original data producers.