Overview Panel: Labor Markets and Monetary Policy

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Labor Market Improved Over Past Decade

* In April (last complete data available). Each observation refers to the same month to avoid seasonality for comparability.

** Formal Employment / Total Employment. The formal employment includes formal employees in the private and public sectors and formal employers in the private sector.

Source: IBGE (PME)
The economic classes are calculated in terms of per capita household income from all sources. Average per capita household income by class is approximately (at 2009 prices – in R$): E – 75; D – 210; C (middle class) – 580; AB – 2,615. In 2009, the middle class comprised approximately people between the 50% and 90% percentiles of per capita household income.

Source: FGV
Unemployment Fell More for Less Skilled Workers

* In April (last complete data available). Each observation refers to the same month to avoid seasonality for comparability.

Source: IBGE (PME)
Education Wage Premium Fell (From a High Level)

* In April (last complete data available). Each observation refers to the same month to avoid seasonality for comparability
** Ratio of average wages by skill group.
# Middle-skilled: From 8 to 10 years of schooling.

Source: IBGE (PME)
Demographic Transition: Brazil at an Earlier Stage

![Graph showing the dependency ratio for Brazil, Japan, United States of America, and Western Europe from 1950 to 2050.](image)

**Dependency Ratio - %**

- Brazil
- Japan
- United States of America
- Western Europe

Source: UN
Demographic Transition Helped Lower Unemployment

* In April (last complete data available). Each observation refers to the same month to avoid seasonality for comparability.

** Aggregate Unemployment Rate, such that the labor-force shares of age groups are fixed at the 2003 level.

Source: IBGE (PME)