

Monetary poverty in Brazil: 2019-2020

April 2022

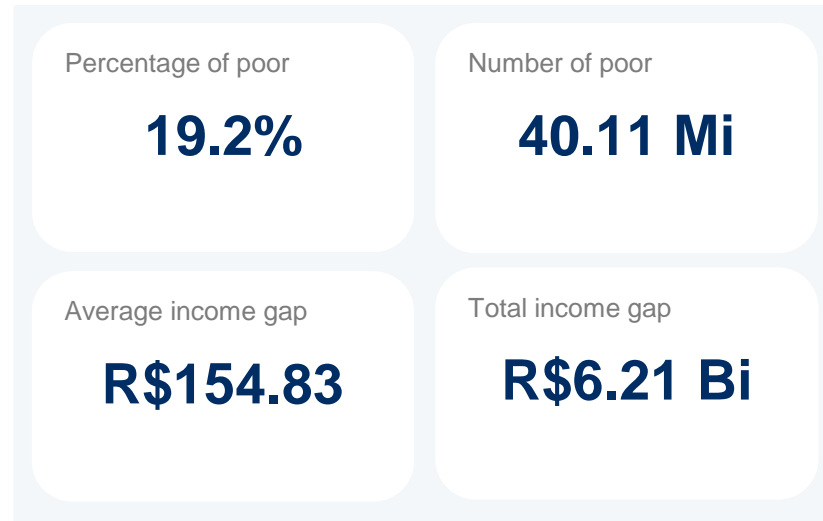
How has monetary poverty evolved in Brazil?

- Despite the economic impacts caused by the pandemic, Brazil showed a reduction in monetary poverty of 2.2 percentage points (pp) between 2019 and 2020, from 19.2% to 17.0%;
- Since the beginning of the historical series made available by PNAD Continua (2012), this was the largest reduction observed from one year to the next;
- This reduction was more significant among children and adolescents than among young people, adults and the elderly. The latter group was the only one that showed a small increase in the incidence of poverty;
- The evolution observed in the incidence of poverty was very different between the areas of residence. There was a significant reduction in the rural area (-8 pp), a reduction of 2 pp in the non-metropolitan urban area and maintenance of the percentage of poverty in the metropolitan urban area;
- The North and Northeast regions showed a significant reduction in the incidence of poverty, of 6.6 pp and 4.2 pp, respectively, and the South, Southeast and Midwest regions remained practically stable;
- Among the Units of the Federation, we highlight two extremes – on the one hand, with a reduction in the incidence of poverty of approximately 10 pp, we have Sergipe and Pará, and on the other hand, we have Mato Grosso, with an increase of 1.5 pp.

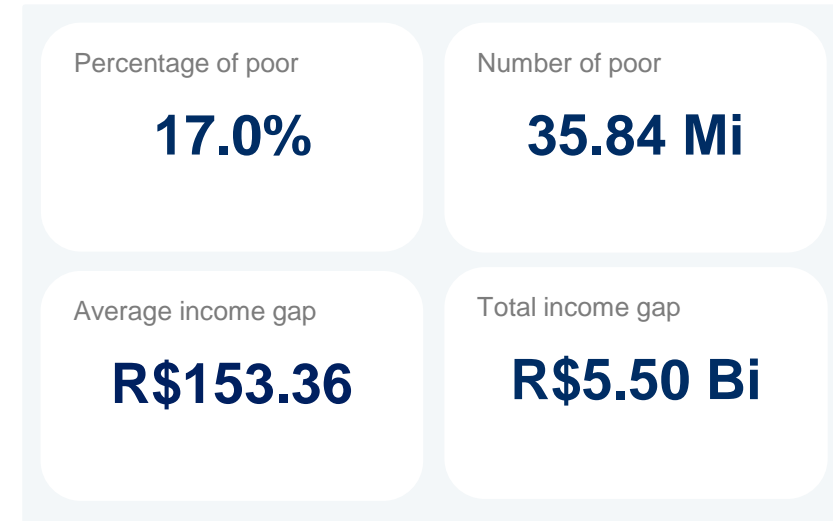
How has monetary poverty evolved in Brazil?

Among the total population

2019



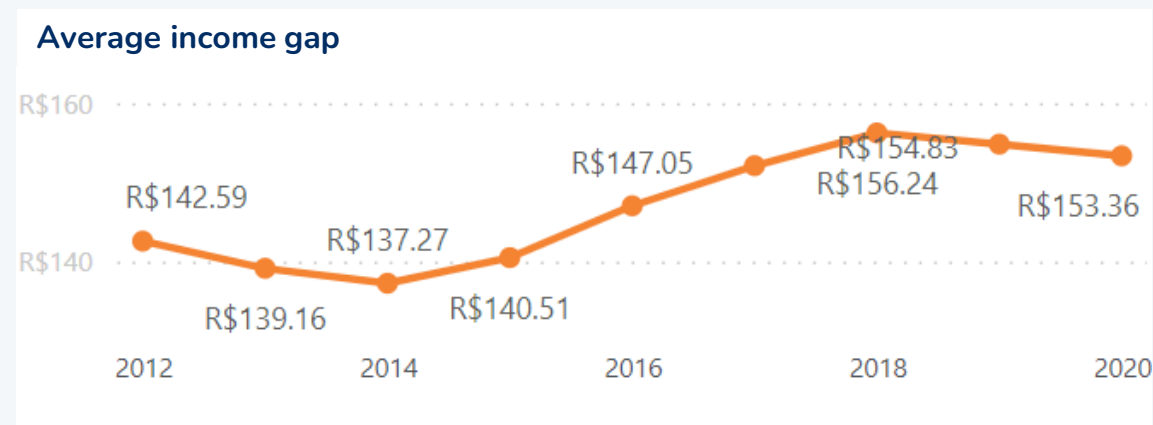
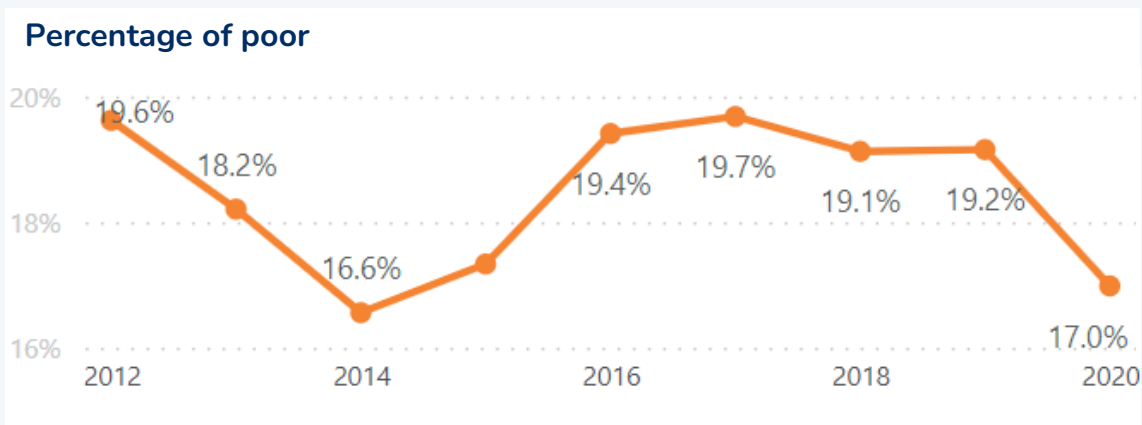
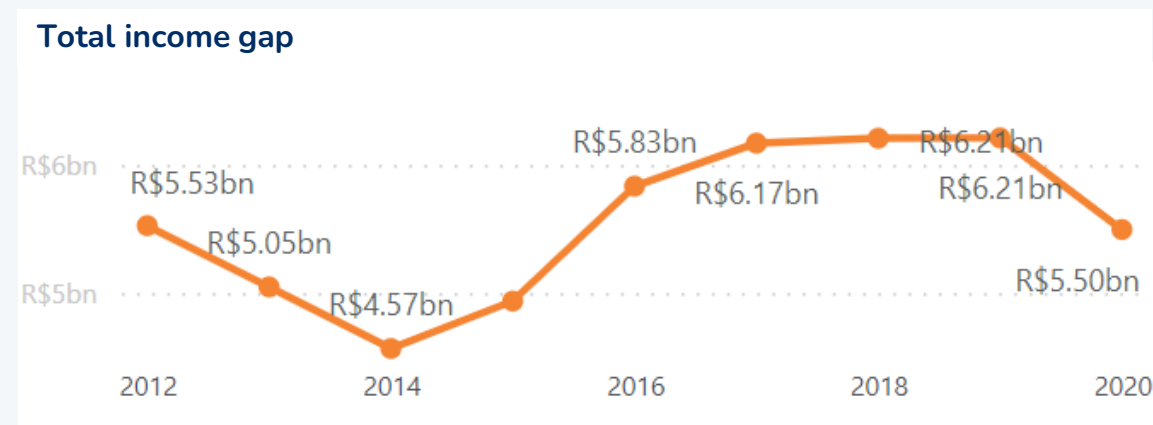
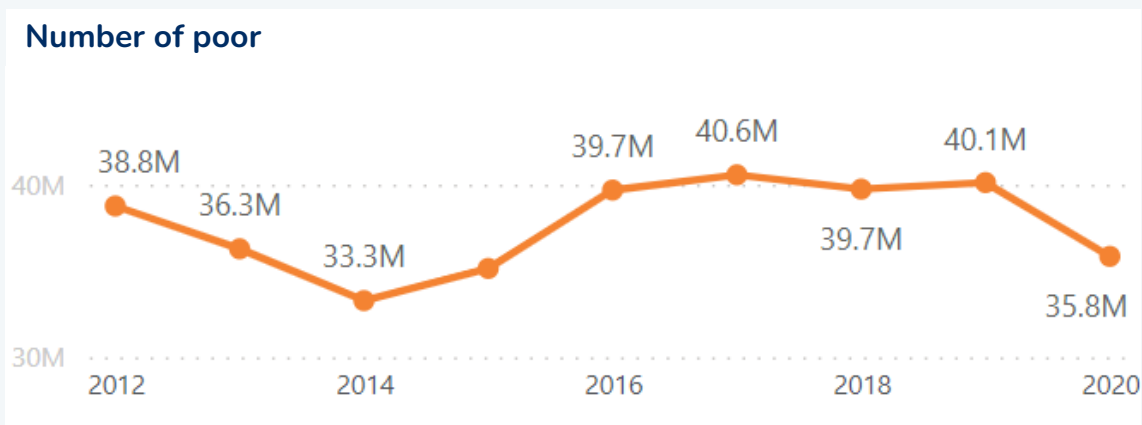
2020



- 2.2 percentage point reduction in poverty
- 4.3 million fewer people in poverty
- Reduction of R\$1.47 in the average income gap
- Reduction of 710 million in the total income gap

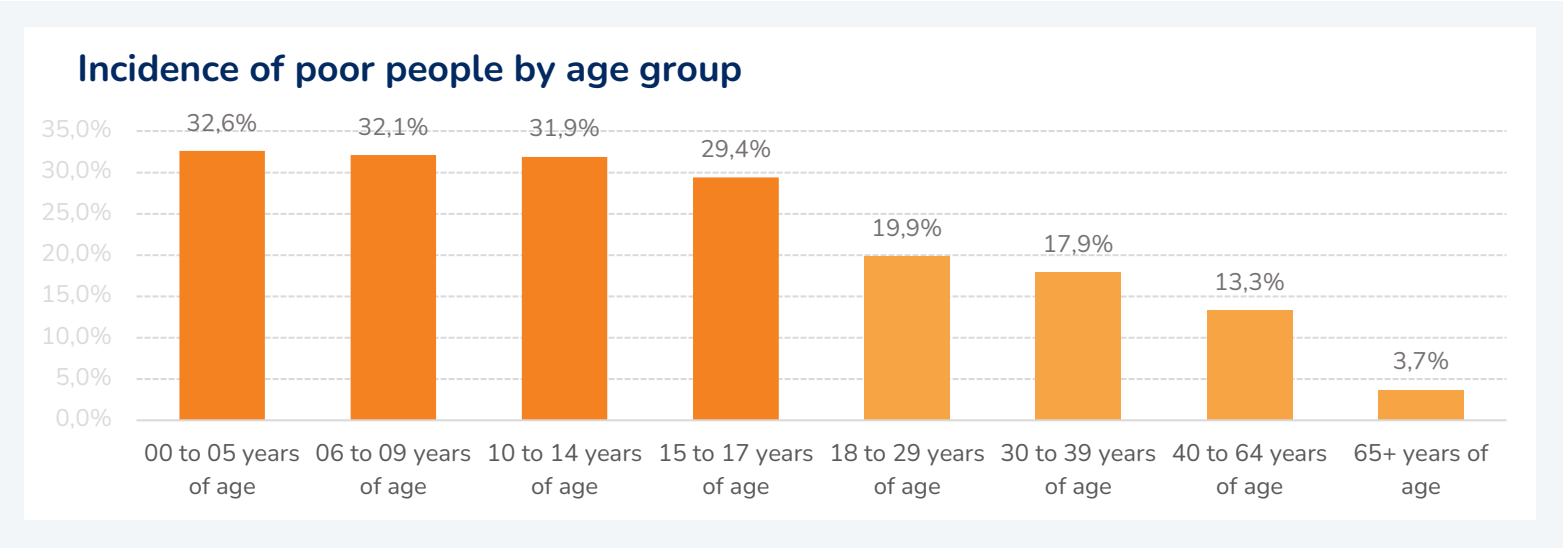
How has monetary poverty evolved in Brazil?

Among the total population



How has monetary poverty evolved in Brazil?

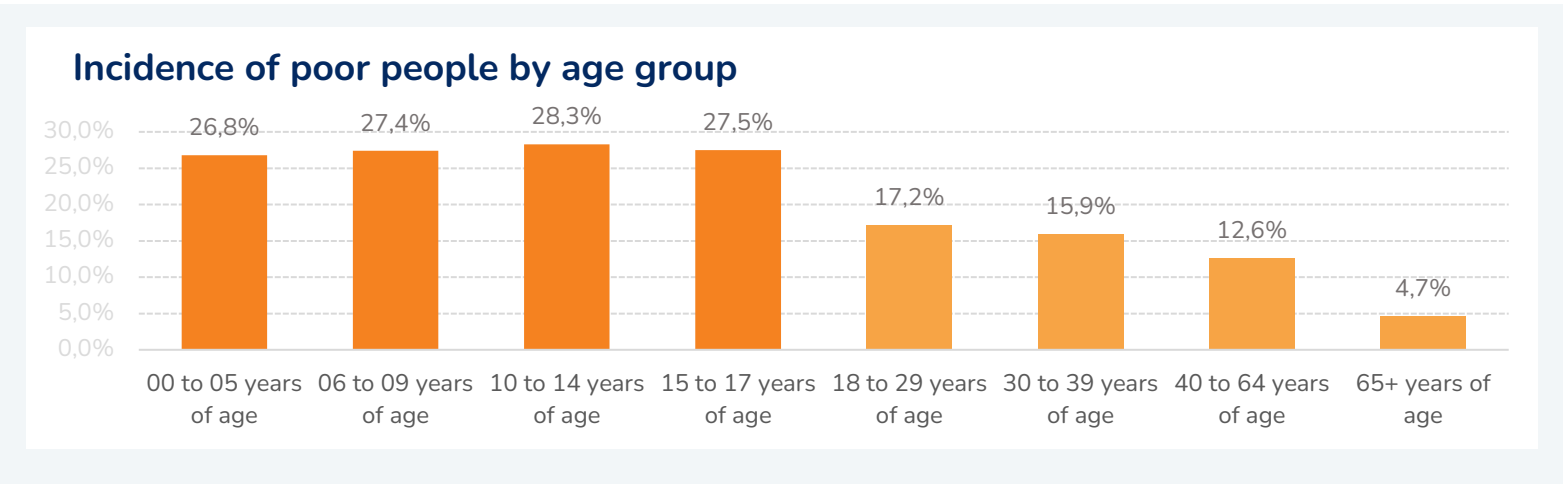
By age group



2019

Variation in percentage points

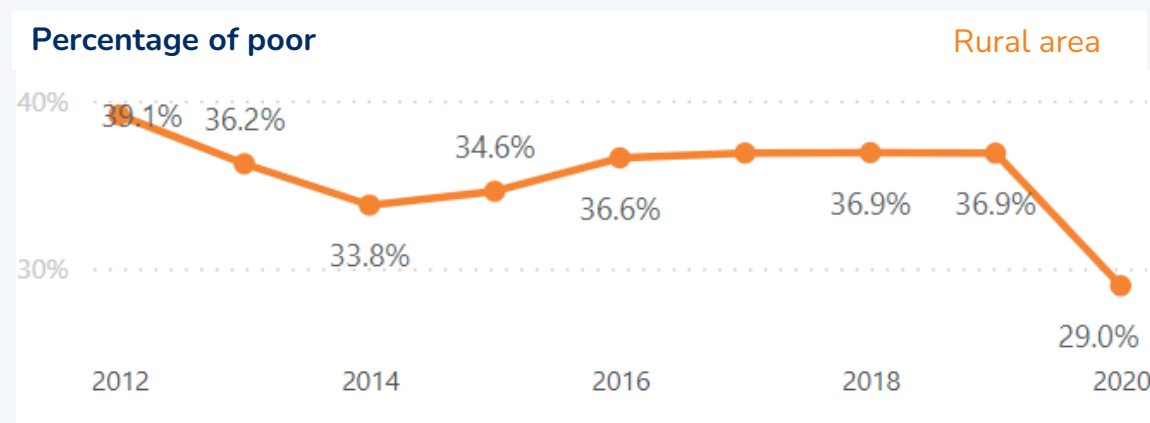
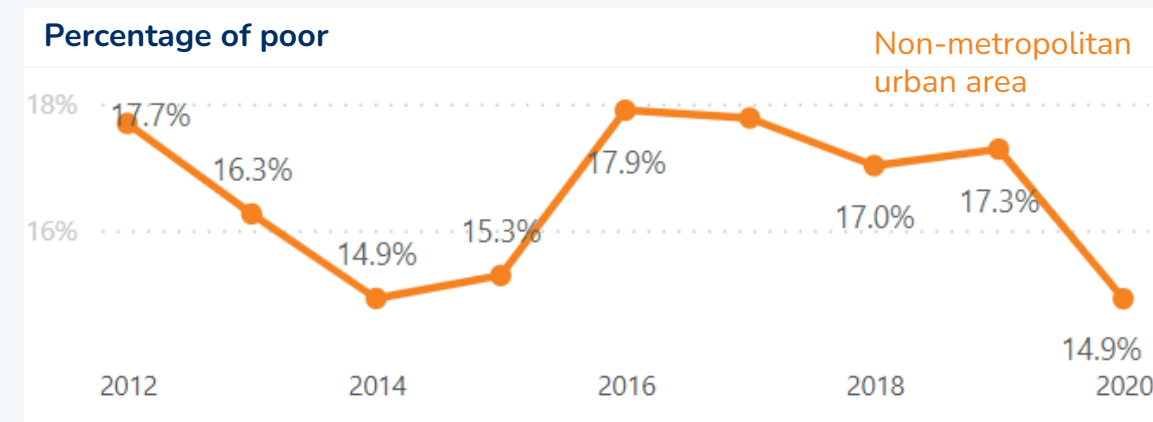
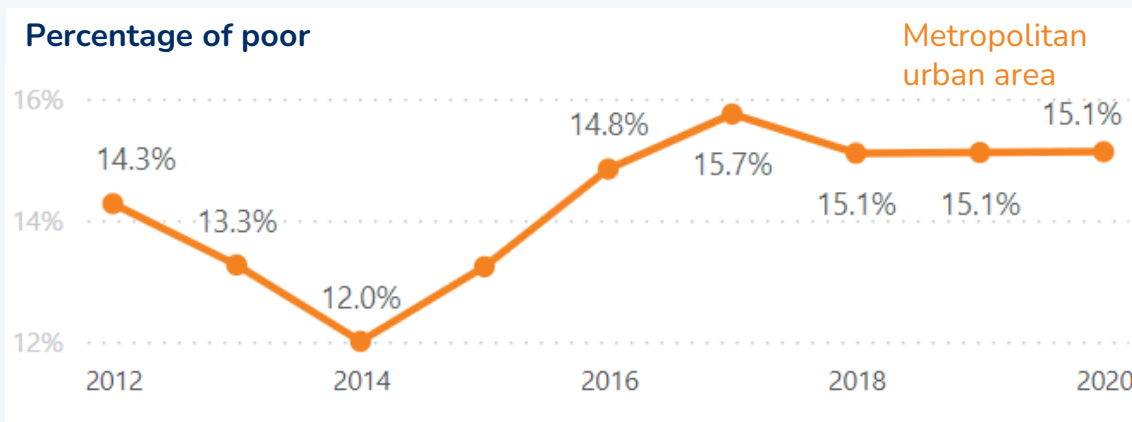
-5.8 -4.7 -3.6 -1.9 -2.7 -2.0 -0.7 +1.0



2020

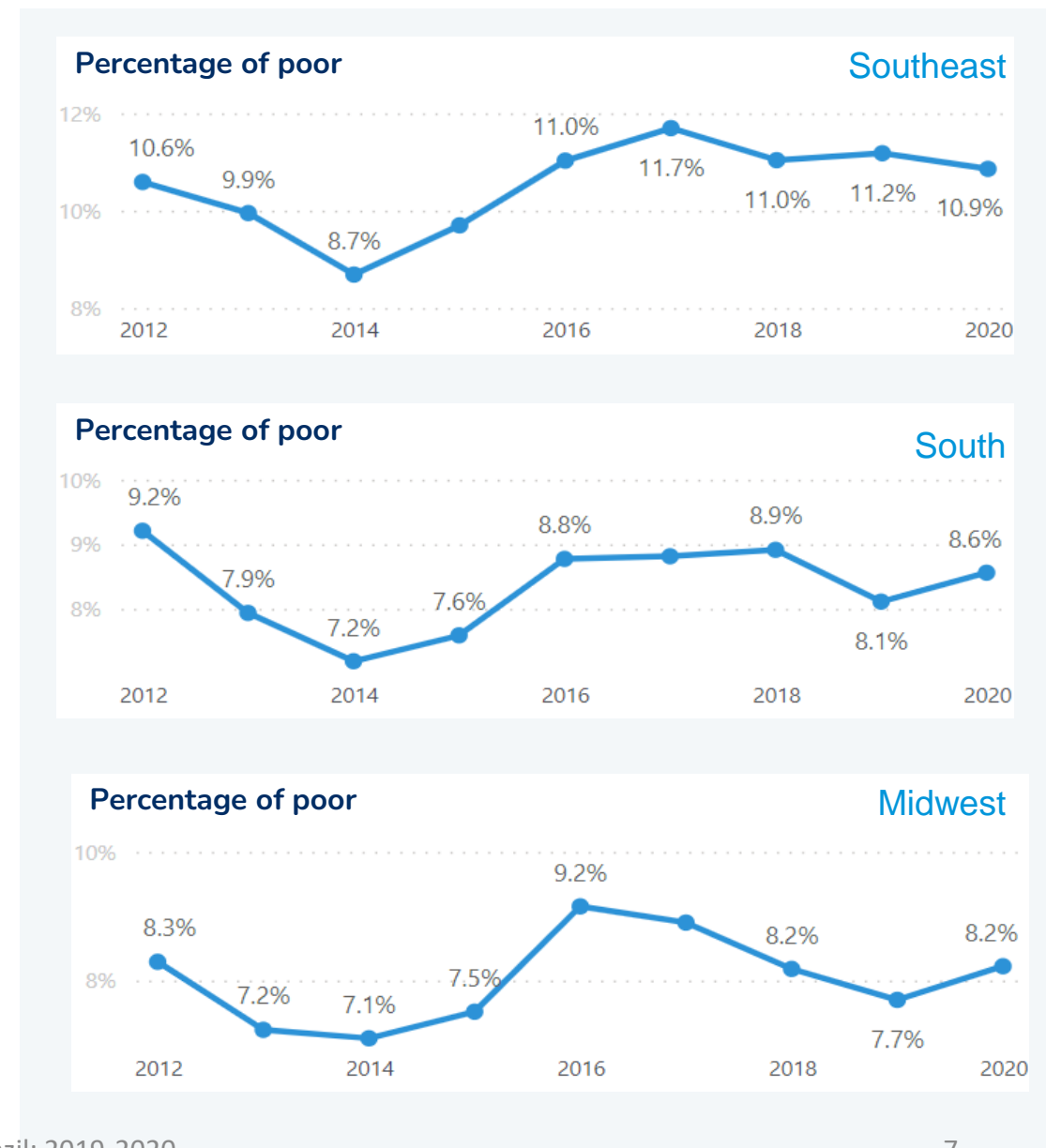
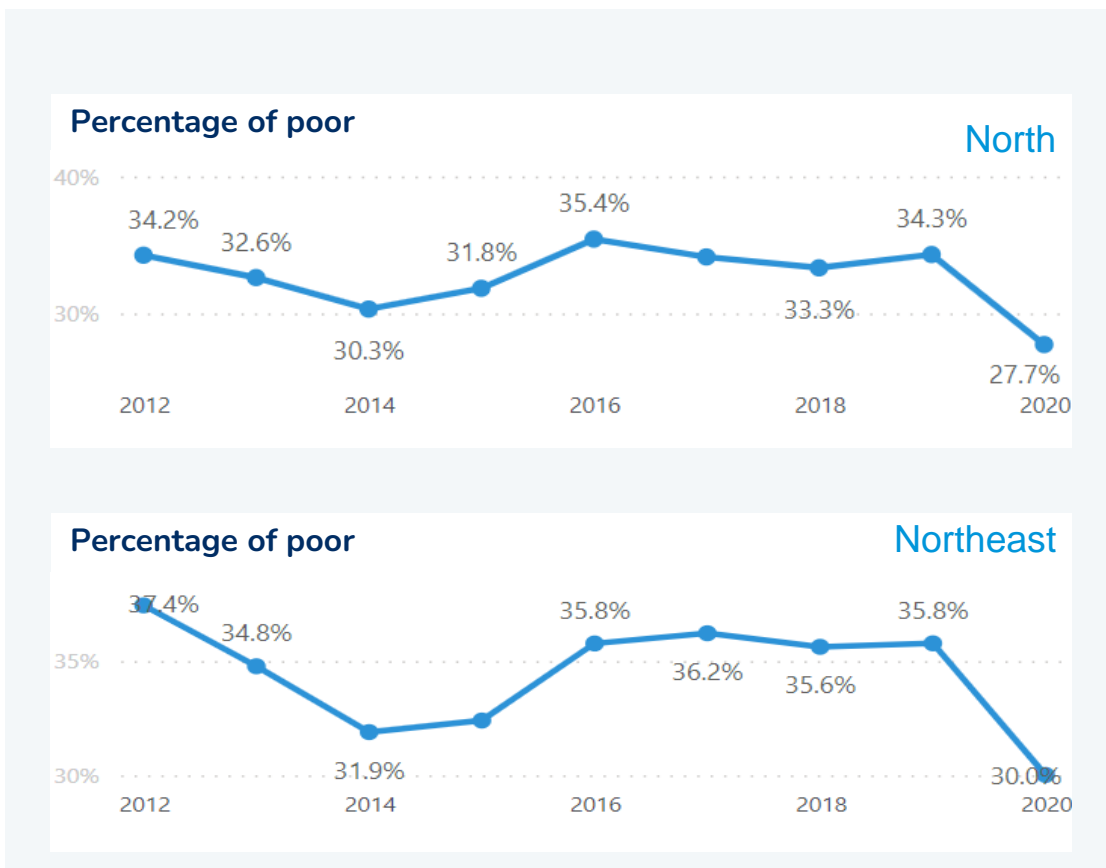
How has monetary poverty evolved in Brazil?

By area of residence



How has monetary poverty evolved in Brazil?

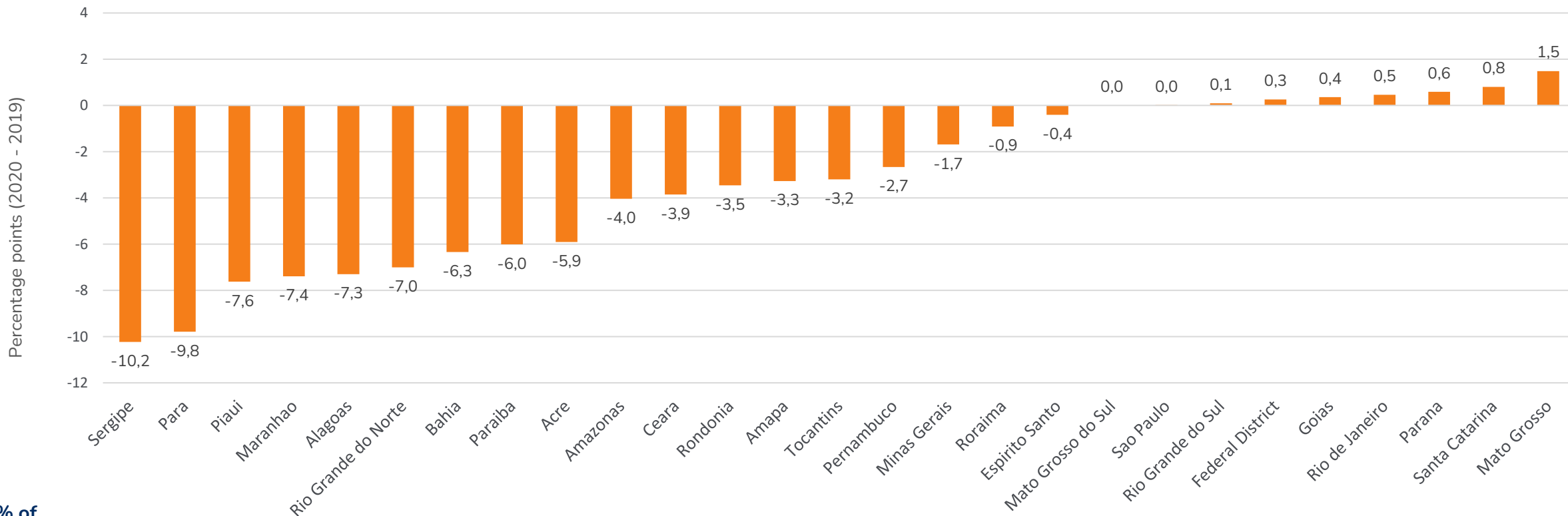
By region of residence



How has monetary poverty evolved in Brazil?

By UF of residence

Variation in the incidence of poverty between 2019 and 2020



% of poverty

2019	35.3%	36.0%	34.4%	44.4%	39.8%	30.8%	34.6%	35.6%	37.1%	40.4%	30.5%	17.8%	34.9%	26.7%	37.4%	8.8%	32.4%	8.8%	7.0%	11.0%	8.9%	8.1%	8.4%	15.2%	9.3%	4.9%	6.5%
2020	25.1%	26.2%	26.8%	37.0%	32.5%	23.8%	28.3%	29.6%	31.2%	36.4%	26.6%	14.4%	31.7%	23.5%	34.7%	7.1%	31.5%	8.4%	7.0%	11.0%	9.0%	8.3%	8.8%	15.7%	9.9%	5.7%	8.0%

How did Emergency Aid (AE) function?

Planned start date

April 10, 2020, for those who were in the Single Registry

- April 16, 2020, for those who were not in the Single Registry

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Values

R\$ 600 per person

- Limit: 2 people per family
- Mother head of family (without husband or partner) was entitled to two quotas of the aid: R \$ 1.2 thousand
- 2 people from the same family could accumulate benefits: one from the AE of R\$ 600 and one from the *Bolsa Família* (BF)
- Whoever received the BF and fit the criteria of the AE, would receive whichever was higher

Source: Agência Câmara de Notícias & Ministério da Cidadania

<https://www.camara.leg.br/noticias/649910-conheca-as-regras-do-beneficio-emergencial-de-r-600/> & [https://www.gov.br/cidadania/pt-br/servicos/auxilio-emergencial/auxilio-emergencial-2020#:~:text=A%20pessoa%20tamb%C3%A9m%20precisa%20ter,R%24%2028.559%2C70%20\(ou](https://www.gov.br/cidadania/pt-br/servicos/auxilio-emergencial/auxilio-emergencial-2020#:~:text=A%20pessoa%20tamb%C3%A9m%20precisa%20ter,R%24%2028.559%2C70%20(ou)

Accessed on 03/24/2022

How did Emergency Aid (AE) function?

Who would be eligible

The candidate had to meet all these requirements:

- Be over 18 years of age
- Not have a formal job
- Not receive social security or welfare benefits, unemployment insurance or other federal income transfer program, other than BF
- Have a monthly family income per person of up to 1/2 minimum wage (R\$ 522.50) or a total monthly family income of at most 3 minimum wages (R\$ 3,135.00)
- Not having received taxable income, in the year 2018, above R \$ 28,559.70 (that is, not having declared personal income tax returns (IRPF) in 2018)

How did Emergency Aid (AE) function?

Who was eligible

In addition, it was intended for those who fit **one** of these conditions:

- Be an individual micro-entrepreneur (MEI)
- Be an individual or optional contributor to the General Social Security Regime (RGPS)
- Be an informal worker enrolled in the Single Registry for Social Programs of the Federal Government (*CadÚnico*)
- If they did not belong to any registry, it was necessary that, in the last month, the monthly family income per person had been at most 1/2 a minimum wage (MW) or that the total monthly family income had been at most 3 MW

How did Emergency Aid (AE) function?

How the registration was made so as to receive the benefit

Those already eligible who were in *CadÚnico* by April 2, 2020 or who received the BF would automatically receive AE, without having to register

- Those eligible who were not in *CadÚnico* by April 2, 2020, or who had enrolled in *CadÚnico* by that date and had received denial of the aid due to some error, had to make a self-declaration through an Android or IOS application, or through the website, all made available by Caixa Econômica Federal

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How the government verified the candidate

The average income was verified through the Single Registry, for the subscribers

- * Those who were not enrolled in *CadÚnico* made a self-declaration on a digital platform and the government made the possible crossings using the CPF

Federal Government Spending on Emergency Aid in 2020

Union spending on COVID-19 related to Emergency Aid to People in Situations of Social Vulnerability

Amount paid in 2020: 293.11 billion reais

- MPs No. 937, 956, 970, 988 and 999/2020
- First stage: between April and August, values for each beneficiary 600 or 1200 reais (a total of 212.75 billion)
- Second stage: between September and December, values for each beneficiary of 300 reais (a total of 80.35 bi)

Source: [AUXILIO EMERGENCIAL DE PROTECAO SOCIAL A PESSOAS EM SITUACAO DE VULNERABILIDADE, DEVIDO A PANDEMIA DA COVID-19 - Portal da transparência \(portaltransparencia.gov.br\)](#)
[Monitoramento dos Gastos da União com Combate à COVID-19 — Tesouro Transparente](#)

Official number of beneficiaries of Emergency Aid in 2020

Number of Emergency Aid beneficiaries in 2020

- * Brazil: 68,234,000 individuals
- Considering the population estimate of 211,756,000 individuals, this figure represents 32% of the population

Source: [Benefícios ao cidadão - Portal da transparência \(cgu.gov.br\)](https://portal.da.transparencia.cgu.gov.br/)

How would poverty have evolved in Brazil in the absence of Emergency Aid?

- To minimize the economic impacts caused by the pandemic, there was the implementation of the income transfer program called Emergency Aid (AE). In this sense, the exercise developed by IMDS sought to verify the contribution of this additional benefit to the reduction in the incidence of poverty;
- To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the research. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020;
- The results observed show that the incidence of poverty in Brazil in 2020 would have been 23%, that is, 6 pp above the 17% of poor people observed;
- The impact was significantly greater in the rural area, where the incidence of poverty would have been 11 pp higher than that observed. In metropolitan and non-metropolitan urban areas, poverty would have been around 5 pp higher;
- The North and Northeast regions were the most impacted, where the percentage of poor would have been 9 pp and 11 pp higher, while in the South this effect was only 2 pp and in the Southeast and Midwest regions, approximately 4 pp;
- Among the UFs, Alagoas, Piauí, Sergipe, Bahia, and Maranhão would have presented an effect greater than 11 pp.

How would poverty have evolved in Brazil in the absence of Emergency Aid?

- This simulation differs from similar exercises done by Menezes-Filho, Komatsu and Rosa (2022), hereinafter MKR, and by SPE (2020) in at least three aspects.
- Our exercise is the only one that uses the Continuous PNAD. The others use PNAD-Covid.
- Second, the poverty line with which we make our analysis is the Ipea, IBGE and ECLAC line, regionalized. MKR uses the line built by Rocha (2006), monetarily updated.
- Third, the other studies make use of panel data, comparing the same households over time. Our analysis makes use of the full 2020 sample.
- Therefore, we should not expect the same results. MKR looks at the evolution of poverty, with and without the aid, for seven months (PNAD-Covid was a monthly survey). The largest difference in the poverty rate found between the situation with and without aid was around 11 pp, in the period May-August 2020. In November, the last month of the survey, MKR calculations found a difference of 4 pp between the situation with and without the aid. Our result of 6 pp difference, because the Continuous PNAD has interviews conducted throughout the whole year of 2020, and 6 pp is close to the average of the PNADC.
- Unlike MKR, however, we seek to make counterfactual analyses by region and by Unit of the Federation..

How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Brazil - Total Population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	The Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1334.64	206.35	19%	39.7	147.05	5.83
2017	1340.05	202.22	20%	40.6	152.11	6.17
2018	1389.69	198.08	19%	39.7	156.24	6.21
2019	1409.59	199.95	19%	40.1	154.83	6.21
2020	1348.67	204.03	17%	35.8	153.36	5.50
2020 (without AE*)	1292.00	172.69	23%	48.7	182.82	8.91
Contribution of the AE	57	31	-6.1	-12.901	-29.5	-3.414

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

Values at average prices of 2020, deflated by the IPCA.

How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Brazil - Population living in the metropolitan urban area

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (million)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1733.89	230.24	15%	12.0	150.95	1.81
2017	1723.98	228.76	16%	12.9	153.41	1.98
2018	1789.00	223.79	15%	12.5	159.72	1.99
2019	1818.68	227.44	15%	12.6	155.42	1.97
2020	1706.16	218.47	15%	12.8	165.42	2.11
2020 (without AE*)	1655.41	192.00	20%	16.8	189.84	3.19
Contribution of the AE	51	26	-4.8	-4.060	-24.42	-1.082

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Brazil - Population living in non-metropolitan urban area

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1206.31	211.22	18%	16.8	143.39	2.41
2017	1219.50	205.63	18%	16.9	149.11	2.51
2018	1271.36	202.99	17%	16.2	151.74	2.46
2019	1281.33	203.94	17%	16.7	151.51	2.53
2020	1236.94	208.28	15%	14.4	146.91	2.12
2020 (without AE*)	1182.14	176.70	21%	20.0	177.27	3.55
Contribution of the AE	55	32	-5.8	-5.585	-30.36	-1.428

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Brazil - Population living in non-metropolitan urban area

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (million)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1206.31	211.22	18%	16.8	143.39	2.41
2017	1219.50	205.63	18%	16.9	149.11	2.51
2018	1271.36	202.99	17%	16.2	151.74	2.46
2019	1281.33	203.94	17%	16.7	151.51	2.53
2020	1236.94	208.28	15%	14.4	146.91	2.12
2020 (without AE*)	1182.14	176.70	21%	20.0	177.27	3.55
Contribution of the AE	55	32	-5.8	-5.585	-30.36	-1.428

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

Values at average prices of 2020, deflated by the IPCA.

How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Brazil - Population living in rural areas

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	654.44	172.51	37%	10.9	148.39	1.62
2017	654.94	165.15	37%	10.8	155.25	1.68
2018	664.63	161.89	37%	11.1	158.90	1.76
2019	662.64	161.58	37%	10.8	159.28	1.72
2020	698.87	175.56	29%	8.6	146.30	1.26
2020 (without AE*)	619.37	138.59	40%	11.9	182.22	2.17
Contribution of the AE	80	37	-10.9	-3.256	-35.92	-0.903

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Northern Region - Total population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	828.86	209.69	35%	6.2	144.10	0.89
2017	860.11	208.30	34%	6.0	145.88	0.88
2018	929.45	202.00	33%	6.0	151.79	0.90
2019	876.40	199.37	34%	6.2	154.62	0.96
2020	896.09	210.28	28%	5.1	144.53	0.74
2020 (without AE*)	824.21	183.68	37%	6.7	171.42	1.16
Contribution of the AE	72	27	-9.1	-1.660	-26.88	-0.421

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Northeast Region - Total population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	837.90	199.50	36%	20.0	153.56	3.07
2017	853.09	192.15	36%	20.4	160.98	3.28
2018	846.35	189.17	36%	20.2	163.16	3.29
2019	883.34	190.32	36%	20.4	162.92	3.32
2020	891.32	201.69	30%	17.2	153.12	2.63
2020 (without AE*)	811.40	162.07	41%	23.4	192.07	4.50
Contribution of the AE	80	40	-10.9	-6.243	-38.95	-1.868

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Southeast Region - Total population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1640.56	213.85	11%	9.5	142.33	1.35
2017	1606.03	214.55	12%	10.2	144.48	1.47
2018	1704.74	209.80	11%	9.7	150.01	1.45
2019	1725.64	218.08	11%	9.9	143.04	1.41
2020	1623.31	207.01	11%	9.7	159.95	1.54
2020 (without AE*)	1575.90	183.91	15%	13.4	177.43	2.37
Contribution of the AE	47	23	-4.2	-3.713	-17.48	-0.828

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Southern Region - Total population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (million)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1592.09	230.76	9%	2.6	138.40	0.36
2017	1646.59	227.48	9%	2.6	142.97	0.37
2018	1663.25	224.17	9%	2.6	148.98	0.39
2019	1705.20	221.07	8%	2.4	147.01	0.36
2020	1597.06	208.38	9%	2.6	160.72	0.41
2020 (without AE*)	1561.20	186.36	11%	3.3	183.72	0.60
Contribution of the AE	36	22	-2.3	-0.707	-23.00	-0.189

Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

*To represent the income from the Emergency Aid, the estimate considered the exclusion of 90% of the income from other social programs declared in the survey. The methodological proposal was defined from the analysis of the historical series of the other incomes declared in the survey conducted between 2016 and 2020.

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

Monetary poverty with and without income from Emergency Aid (AE)

Midwest Region - Total population

Year	Per capita household income	Per capita household income of the poor	Percentage of the poor (%)	Number of the poor (millions)	Average income gap (R\$)	Total income gap (billion R\$)
2016	1506.11	193.99	9%	1.4	115.33	0.16
2017	1573.95	186.26	9%	1.4	122.24	0.17
2018	1592.02	178.03	8%	1.3	130.63	0.17
2019	1585.53	175.34	8%	1.2	132.41	0.16
2020	1504.17	180.47	8%	1.3	128.24	0.17
2020 (without AE*)	1457.13	161.95	12%	1.9	146.02	0.28
Contribution of the AE	47	19	-3.5	-0.577	-17.78	-0.108

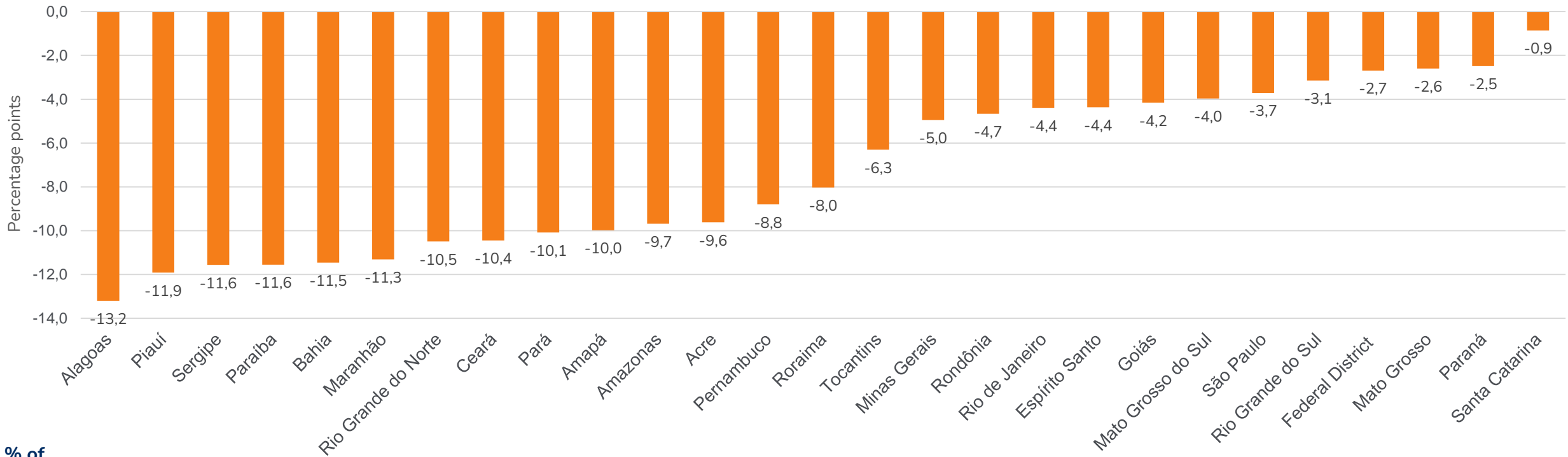
Source: Continuous National Household Sample Survey (Visit 1, 2016 to 2019, Visit 5, 2020).

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How would poverty have evolved in Brazil in the absence of Emergency Aid?

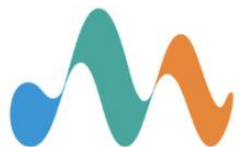
Variation in the incidence of poverty in 2022 due to emergency aid



% of poverty

2019	39.8%	34.4%	35.3%	35.6%	34.6%	44.4%	30.8%	30.5%	36.0%	34.9%	40.4%	37.1%	37.4%	32.4%	26.7%	8.8%	17.8%	15.2%	8.8%	8.4%	7.0%	11.0%	8.9%	8.1%	6.5%	9.3%	4.9%
2020	32.5%	26.8%	25.1%	29.6%	28.3%	37.0%	23.8%	26.6%	26.2%	31.7%	36.4%	31.2%	34.7%	31.5%	23.5%	7.1%	14.4%	15.7%	8.4%	8.8%	7.0%	11.0%	9.0%	8.3%	8.0%	9.9%	5.7%
2020 without AE*	45.7%	38.7%	36.6%	41.1%	39.8%	48.3%	34.3%	37.1%	36.3%	41.7%	46.0%	40.9%	43.5%	39.5%	29.8%	12.1%	19.0%	20.1%	12.7%	12.9%	10.9%	14.7%	12.2%	11.0%	10.6%	12.4%	6.5%

*excluding 90% of income from other social programs.



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