

Poverty & Equity Brief

October 2025

BRAZIL

Brazil's international poverty rate (USD 8.30, 2021 PPP) is estimated at 20.3 percent for 2025, down from 20.6 percent in 2024, and continuing the decline that began in 2022. Year-over-year, poverty fell by 5.2 percentage points in 2022, 1.9 percentage points in 2023, and 2.8 percentage points in 2024. The poverty reduction reflects real minimum-wage increases, the expansion of Bolsa Familia, and improved labor market conditions. Between 2022 and 2024, growth was pro-poor as the average real income of the bottom 40 percent rose by about 26 percent, compared to 18 percent for the rest of the distribution. Inequality remains high: the Gini index is expected to be 50.2 in 2025, with almost no changes with respect to 2024, modestly below 2015's figure (51.9), keeping Brazil among the most unequal countries in the world.

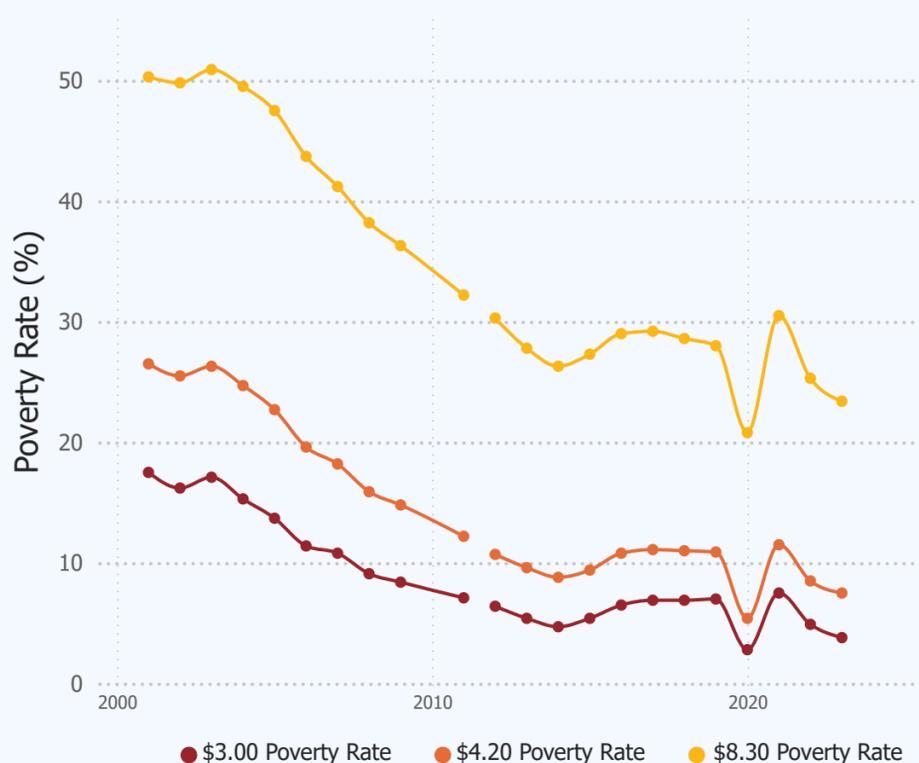
Persistent disparities in access to opportunity-enabling services reinforce spatial and group inequalities in nonmonetary dimensions of well-being. In 2024, access to piped water reached 93 percent in urban areas versus 32 percent in rural ones. Sewage connections were 77 percent versus 9 percent, respectively. Digital divides are also pronounced: 85 percent of urban households had internet access in 2024, compared to 74 percent in rural areas. The urban-rural internet gap is even wider in the North and Southeast, where it reaches 22 and 21 percentage points, respectively. The gap is also stark across income groups: 73 percent of households earning up to one minimum wage had internet access versus 97 percent among those earning at least five.

Labor market conditions have strengthened since the pandemic and remain key to sustaining poverty reduction. Unemployment fell to 5.8 percent in the second quarter of 2025 – the lowest since 2012 – on the back of job creation in services, agriculture, and manufacturing. The minimum wage increased 9.2 percent in real terms between 2021 and 2025. Meanwhile, average real wages reached a record high in the second quarter of 2025, while real hourly wages rose 20 percent between the fourth quarter of 2021 and the second quarter of 2025. Complementing labor gains, Bolsa Familia coverage grew from 14.2 million families in January 2021 to 20.5 million in January 2025, and the average benefit nearly tripled in real terms in the same period, from BRL 243 to BRL 676.

Amid constrained fiscal space, with key transfers, such as Bolsa Família, projected to remain unaltered in real terms in 2026, labor market interventions will be needed to support sustained poverty reduction and improve income inequality. Key measures include: (i) modernizing labor intermediation services; (ii) making job search and matching more effective; (iii) upgrading workers' skills; and (iv) encouraging investment in sectors with strong potential to generate high-quality employment, such as traded services and renewable energy.



Poverty Rate



Inequality



Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
International Poverty Line (\$3.00/day)	8,056.3	3.8	2023
Lower Middle Income Class Poverty Line (\$4.20/day)	15,766.9	7.5	2023
Upper Middle Income Class Poverty Line (\$8.30/day)	49,392.2	23.4	2023
Multidimensional Poverty Measure		4.3	2023

Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)	Multidimensional Poverty Components	(% of Pop.)
Urban population	20.9	Daily income less than US\$3.00 per person	3.8
Rural population	40.1	At least one school-aged child is not enrolled in school	0.4
Males	22.5	No adult has completed primary education	13.4
Females	24.3	No access to limited-standard drinking water	1.2
0 to 14 years old	40.9	No access to limited-standard sanitation	32.1
15 to 64 years old	21.0	No access to electricity	0.2
65 and older	5.5		
Without education (16+)	24.6		
Primary education (16+)	25.1		
Secondary education (16+)	21.4		
Tertiary/post-secondary education (16+)	5.1		

Note:

N/A denotes a missing/removed value, while N/A* refers to a value which was removed due to having fewer than 30 observations.

The rates in the Poverty by Group table above are shown at the \$8.30 upper-middle income line.

Data for the Poverty by Group table is derived from a 2023 survey and data for the Multidimensional Poverty Components table is derived from a 2023 survey.

Poverty Data & Methodology

The World Bank publishes poverty rates using three internationally comparable poverty lines (USD 3.00, 4.20 and 8.30 per person per day in 2021 PPP terms). This allows meaningful international comparisons, as poverty is calculated using the same methodology across countries. Brazil does not have an official poverty methodology, but the National Statistical Office (IBGE) has published national poverty rates using administrative and international lines. The household survey used to calculate poverty since 2001, PNAD, was replaced by PNAD Contínua (PNAD-C) in 2012. As these two surveys are not strictly comparable, the extent to which poverty and inequality dynamics before and after 2012 can be analyzed is limited.

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.