The New Middle Class in Brazil
What does your company know about it?

The Center for Social Policies at Getulio Vargas Foundation provides customized research about demand determinants for a broad variety of goods and services segmented by different economic classes and population segments. For example, what is the demand in C Class for cars, cable TV, computers, cell phones, consumer credit, own housing, vocational courses, private education etc. We offer an updated view of the emerging consumer markets and alternative scenarios for the future, derived from forecasts of macroeconomic, demographic, distributive and behavioral components open at national, State, City and local (neighborhoods) levels. Beyond the spatial dimension, we identify socio-economic targets for your products and services such as age, gender, marital status among others.

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Book on the New Middle Class in Brazil: The Bright Side of the Poor

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Comments by **Lula, Armínio Fraga and Gustavo Franco**
written especially for the book

The book “The New Middle Class: the bright side of the poor”, from Marcelo Neri, is an indispensable reading to understand the deep social changes that occurred in Brazil in the last years. Neri’s shows that those that conquered the increases in income after 2003 were exactly those belonging to the previously most excluded groups: women, black, illiterate and those living in the Northeast of Brazil. Besides that, it reveals what changed in the lives of the Brazilian, with the rise of millions to the middle class. Neri shows, through the Future Felicity Index, that the Brazilian people are the ones who most believe in a bright future.

**Luiz Inácio Lula da Silva – President of Brazil – 2003 to 2010**

Marcelo Neri is a tireless, rigorous and creative scholar of social discussions in Brazil. This book about the rising of a new middle class will be the reference for anyone who is interested in understanding what is going on in Brazil during the last 18 years. Rich in details, written in a friendly way and full of interesting examples and data, the text enlightens the discussion and helps to rethink the future. The gains from the book are impressive, but the work ahead is still enormous. Read this book and give a copy to your deputy and senator, it will help a lot! –

**Armínio Fraga – President of the Brazilian Central Bank - 1999 to 2003**

Marcelo Neri has created a fascinating and central research agenda. His work captures many dimensions of changes in the Brazilian society resulting from both the good economic management and the globalization, but also from the demographic and the social dynamics of a country enthusiastic by its own possibilities. The portrait of this society happy with its perspectives is presented in this book with liveliness and rigor. It is an indispensable work for the good understanding of the always complexes interactions between economics and society.

**Gustavo Franco – President of the Brazilian Central Bank - 1997 to 1999**

“...study from the Getulio Vargas Foundation by professor Marcelo Neri shows that, from 2003 until May this year, approximately 40 millions Brazilians have reached the middle class... it is like we introduce in the middle class a whole Argentina”

**President Dilma Rousseff** in the raffle of the World Cup and in the UN.

“...with the Real, the poor population has fallen from 35% to 28% of the total population. Poverty continued to fall until it reached 18% in 2008, resulted from the accumulated effect of social and economics politicies.”... “There is a bunch of middle classes which are being called without much precision as “C class” or “new middle class””

**Fernando Henrique Cardoso - President of Brasil – 1995 to 2002.**

“In the last decade, the progress made by the Brazilian people inspired the World. More than half of this nation is today considered middle class. Millions left poverty behind... hope is coming back to places where fear once dominated.”

**President of the US Barack Obama** speech in Rio de Janeiro Municipal Theather.
Media impact on the work presented by the book

“According to Fundação Getulio Vargas ...Brazil, well known for its inequality, is now a middle class country. Professor Neri talks about the return to formal jobs.”

The Economist – *story “Half a Nation Strong”* about the study from FGV

“This is like the fable of La Fontaine, about the working ant and the cicada singer. Brazil is now a country that is more ant than cicada.” Newsweek – *Weathering the Storm*

“We are respecting market laws... and doing pretty active social policies.” - Washington Post – *front story “In Brazil, the ‘middle path’ helps to expand the middle class”*

“Bolsa Família has been much more efficient than the rise in the minimum wage” - New York Times – *front story “Amid global gloom Brazil brims with hope”*

“After years of inequality, a new middle class flourishes, buying cars and cellphones”, EL PAÍS

“A decade ago, Marcelo Neri thought it was laughable Brazil be included in the group of emerging economies BRICs: ‘BRICs sounded better than RICs’” - CNN

“Brazil x China: We are a democracy, we don’t destroy our environment that much, we are getting less unequal. Our growth quality is better than the one from China.” BBC News

“Pelé, the biggest player of our economy, is the low-income citizen; where you expect poverty, you find people rising, living an ‘American dream’, or a ‘South-American dream’.” CNBC

“Effects from the minimum wage, programs to reduce poverty, informality... finally, there is no relevant social theme in the last 20 years that has not been approached by Marcelo” Época Magazine – *“The 100 most influential Brazilians”*

“Two years after the ‘Plano Real’ was implemented, Marcelo Neri was the first to prove the impact of the economic stability in the fall of poverty in Brazil... ‘Class C Ambassador’... There is no way to dissociate Marcelo Neri from this group... The first academic to show that this class has become predominant in the Brazilian society... as the C Class get empowered so does the prestige of their ‘discoverer.’” Veja Magazine - *“Doutor Demografia” (“Doctor Demography”). Marcelo Neri elected one of the 50 most influential “cariocas”*. Època Magazine – *“The 100 most influential Brazilians”*

“Marcelo Neri is keen to warn that he doesn’t support neither PSDB (social democrats), nor PT (worker) parties... he assigns the promising moment of the Brazilian economy both to the heritage of Fernando Henrique Cardoso and to the faith propagated by Lula” Estado de São Paulo in 2010

“Extreme poverty grew in the 1st year of Lula” – Cover story from “O Globo” in 2004 -Flávia de Oliveira

“The Brazilian inequality in fall since the beginning of the decade has changed its direction with the worsening effects of the global economic crisis.” Folha de São Paulo in 2009

“Marcelo Neri from FGV, the greatest scholar of the ‘new middle class’ explains that the appointment reflects the positive and prospective sense of the one that realized the dream of improving life itself.” - Merval Pereira – O Globo
Get to know the new researches on the New Brazilian Middle Class
by the Center for Social Policies
at Getulio Vargas Foundation (FGV Social / CPS)

http://cps.fgv.br/en/pes
http://cps.fgv.br/pesquis
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http://cps.fgv.br/en/pesq

All researches (in English) are available at
http://cps.fgv.br/en/pesquisas
Research Website

The website [http://www.fgv.br/cps/ncm2014/eng](http://www.fgv.br/cps/ncm2014/eng) provides the study in full, including interactive databases, such as a world happiness simulator. It analyzes the Brazilian’s happiness index (from past to future), pointing out differences and similarities with groups of emerging countries and elsewhere in the world in 2011. It also presents a set of information on Brazilians’ income today and in the future, with scenarios projected to 2014, slides, videos, media repercussions, etc.
Class Composition 1992 to 2014*

*class growth forecasted onwards 2010 to 2014 – with inequality reduction

Source: CPS/FGV from the PNAD/IBGE microdata

Class Composition 1992 to 2014*- Assessing the Inequality Effect

** class growth forecasted onwards 2010 to 2014 – with and without inequality reduction

Source: CPS/FGV from the PNAD/IBGE microdata


Source: CPS/FGV based on PNAD/IBGE microdata

Future Happiness (Life Satisfaction in Five Years) - 2015

Source: CPS/FGV based on PNAD/IBGE microdata
Source: Social Policies Center – CPS/FGV from the Gallup World Poll

Evolution of Income Groups Participation (50% -, 40% and 10% +)

Source: CPS/FGV based on PNAD/IBGE microdata

Source: Center of Social Policies – CPS/FGV based on PNAD/IBGE microdata

Forecast until 2014 – Economic Classes

Class E - %

Source: CPS/FGV based on PNAD/IBGE microdata

Class D - %

Source: CPS/FGV based on PNAD/IBGE microdata
Class C - %

Source: CPS/FGV based on PNAD/IBGE microdata

Class AB - %

Source: CPS/FGV based on PNAD/IBGE microdata
1. NATIONAL INCOME:

-- REGIONAL MAPS

Evolution of Class ABC Percentages, by Brazilian States


Source: CPS/FGV based on PNAD/IBGE microdata
Evolution of Class ABC Percentages, by Brazilian States (cont.)


2001

2003

2009

2014 (forecasted)

Source: CPS/FGV based on PNAD/IBGE microdata
Evolution of Average Per Capita Household Income, by Brazilian States


Source: CPS/FGV based on PNAD/IBGE microdata
Evolution of Average Per Capita Household Income, by Brazilian States (cont.)


Source: CPS/FGV based on PNAD/IBGE microdata

Obs: adjusted by POF
3. GLOBAL HAPPINESS

-- WORLD MAPS

Future Happiness (Life Satisfaction in Five Years) 2015, 2014, 2011

Source: Social Policies Center – CPS/FGV from the Gallup World Poll microdata

Present Happiness 2006, 2010 and 2011, by gender and the difference between them
Past Happiness 2001, 2006 and 2007, by gender and the difference between them

Source: Social Policies Center – CPS/FGV from the Gallup World Poll microdata
Various Concepts Based on Future Life Satisfaction
Mean Future Happiness (Satisfaction with Life in Five Years) 2011

Source: Social Policies Center – CPS/FGV from the Gallup World Poll microdata
Inequality of Individual Future Happiness - Gini Index - 2011

Source: Social Policies Center – CPS/FGV from the Gallup World Poll microdata
Videos on the New Brazilian Middle Class

http://www3.fgv.br/ibrecps/ncm2010/Videos.htm

The New Middle Class

This New Middle Class is the filling of Brazilian society.

In only 20 minutes by car in Rio, the image of Brazil’s export.

The Brazilian can daydream now, it’s the explosion of class c.

A new car.

Sidney Rezende talks with Marcelo Neri, an economist at Fundação Getúlio Vargas.