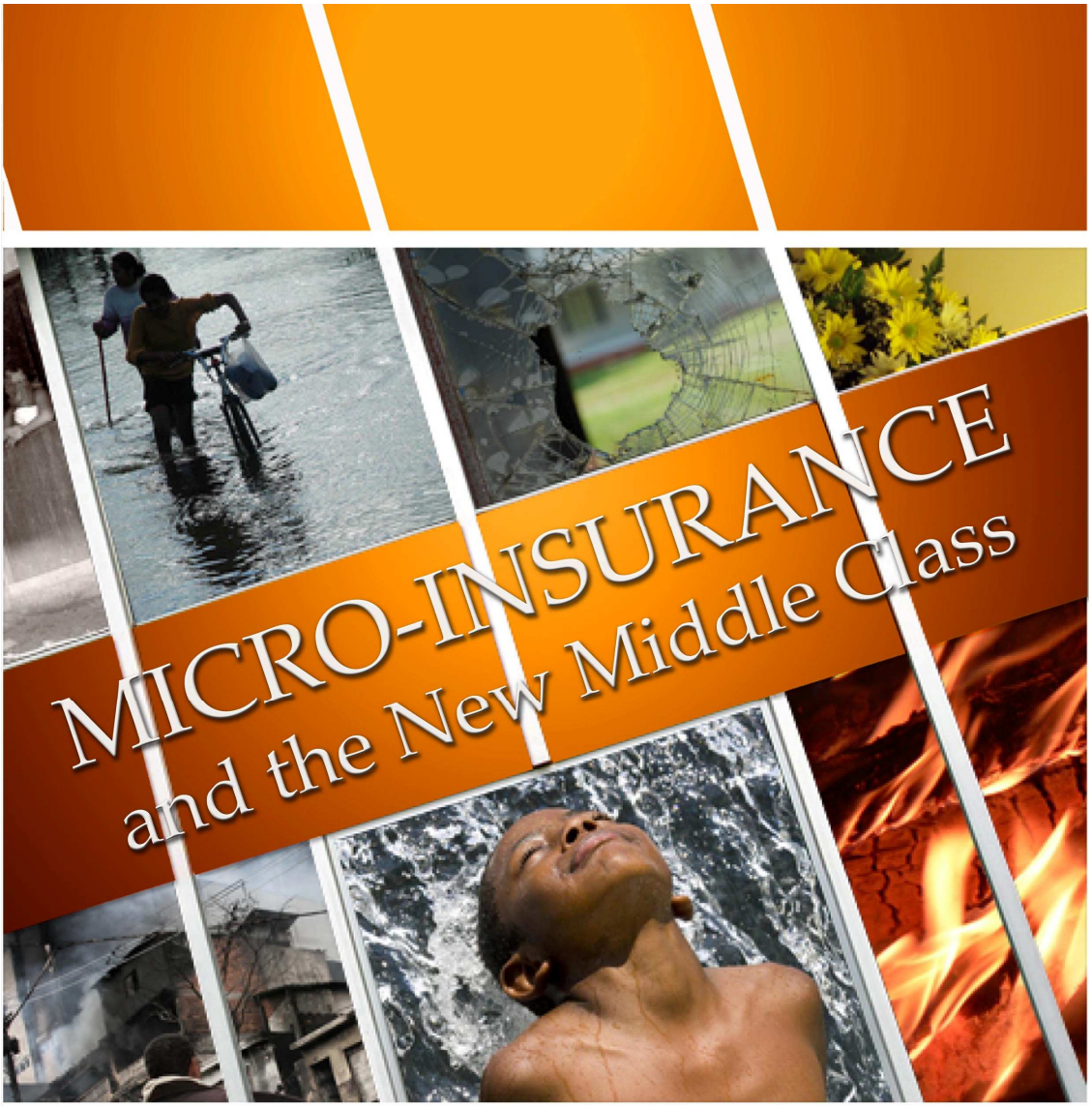

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"The New Middle Class"

Fundação Getulio Vargas

Coordinator: Marcelo Cortes Neri

Summary

Aggregate Movement of Economic Classes

The main feature of the approach used here is its level of disaggregration in four income groups. We look at the evolution of the participation of the population in each class. Making a long story short (described below) in objective numbers, we have next the limits of the economic classes measured in terms of total household income from all sources per month[1]:

Definition of Economic Classes

Definition
Total Household Income from All sources*

	limits	
	Inferior	Superior
Class E	0	804
Class D	804	1115
Class C	1115	4807
Class AB	4807	-

* At December 2008 prices

We have extended here the period of analysis of the previous researches until July 2009, highlighting the same month in all years in order to deal with seasonal fluctuations within the years. We also present the values of the period after the worse moment of the crisis, from September 2008, with an emphasis on the following months, until July 2009, the period of this research.

Class C is the most numerous, with half of the population (53,2%), although from the income point of view, the dominating class is AB, where 14,97% of the population own almost 55% of income. We present in the table below the distribution across different layers since 2002:

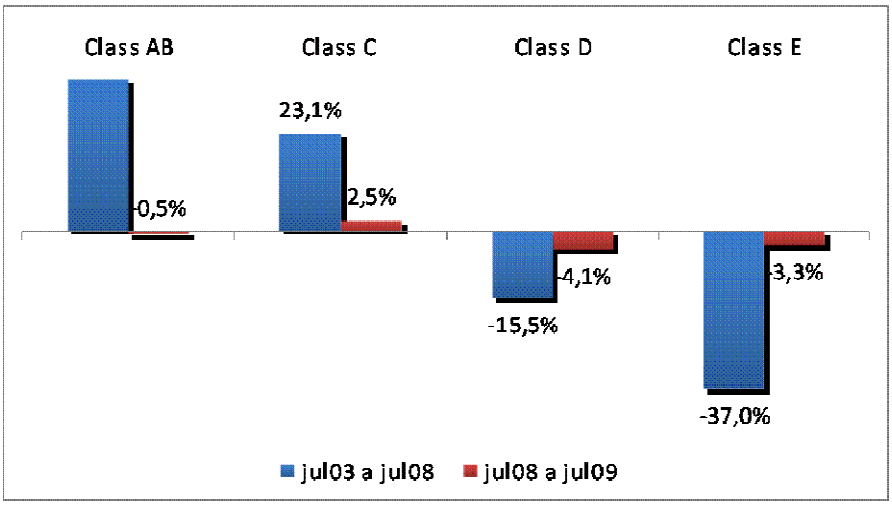
[1] Values are calculated based on household per capita income. When applied to the PME compatible with the income from work for the population 15 to 60 years old.

Levels %	Class AB	Class C	Class D	Class E
jul/02	13.20	42.87	15.21	28.72
jul/03	11.09	42.18	16.67	30.07
jul/04	12.22	45.16	16.88	25.98
jul/05	12.48	45.43	17.73	24.36
jul/06	13.33	48.48	15.61	22.58
jul/07	13.82	50.56	15.04	20.58
jul/08	15.05	51.91	14.09	18.95
ago-08	*15.72*	*51.97*	*13.57*	*18.74*
set-08	*15.43*	*53.15*	*13.52*	*17.90*
out-08	*15.64*	*53.21*	*13.31*	*17.84*
nov-08	*15.35*	*53.37*	*13.47*	*17.82*
dez-08	*15.33*	*53.81*	*13.18*	*17.68*
jan-09	*14.91*	*52.64*	*13.58*	*18.87*
fev-09	*14.84*	*52.67*	*13.67*	*18.82*
mar-09	*15.03*	*52.52*	*13.75*	*18.70*
abr-09	*14.38*	*52.72*	*13.97*	*18.92*
mai-09	*14.40*	*53.34*	*13.67*	*18.60*
jun-09	*14.79*	*53.19*	*13.70*	*18.32*
jul/09	14.97	53.20	13.51	18.32

Source: CPS/FGV based on PME/IBGE microdata

We open data from the above table as variations of two streams that cover the pre- and post-crisis periods, according to the graphs below. Temporal comparisons point to a growth in class C, that is in its record rate in July 2009, when compared to the same month in each year since 2002 (or 1992 by PNAD). Classes D and E are also at their lowest levels in July in the PME series. Class AB is also a bit smaller (-0,5%) in 2009 in relation to the same month last year.

Variation of Economic Classes Pre and Post-crisis

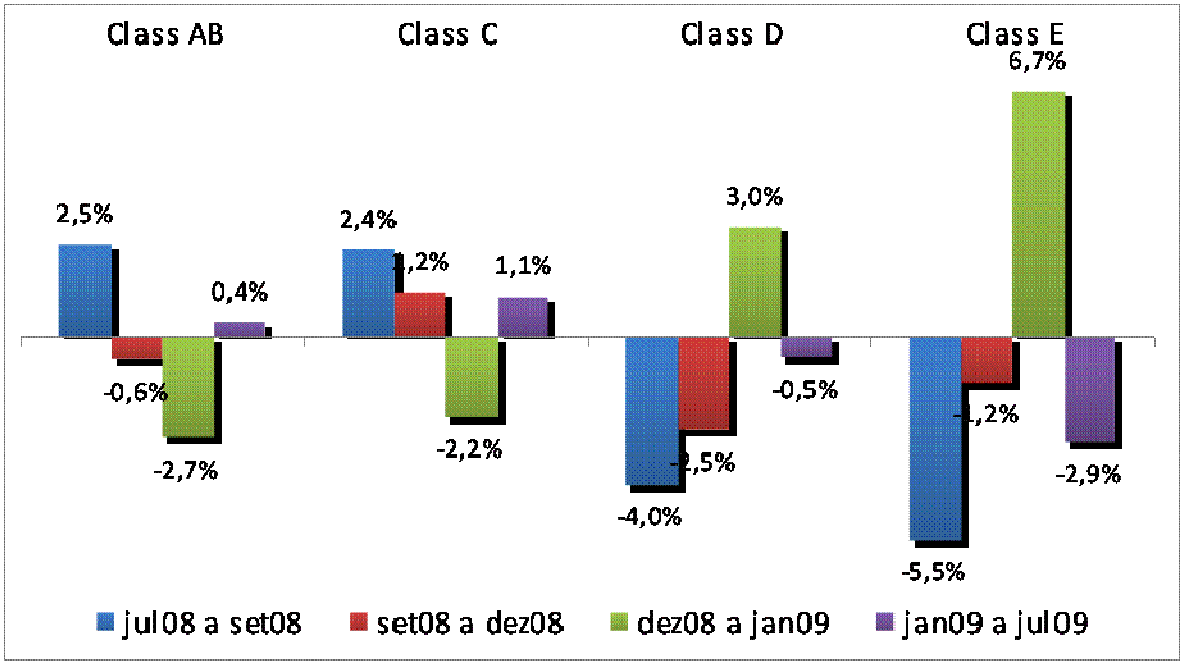


Source: CPS/FGV based on PME/IBGE microdata

Next, we open the post-crisis period in terms of variations. In the immediate post-crisis period, from September to December 2008, we did not see any qualitative

change in this scenario except for the small accumulated reduction of -0,6% in class AB (that represented a sudden halt because, as we saw previously, such class had been growing more than others). The dynamics of the remaining classes were maintained: class C keeps growing, at 1.2% in the period, and classes D and E keep their decreasing trend, -2,5% and -1,2%, respectively in the period.

Variation of Economic Classes - Post-crisis



Source: CPS/FGV based on PME/IBGE microdata

In January, we observed a strong reversion of the previous trend, with a retraction of the highest classes: class AB drops -2,7% and class C – which had been growing – decreases -2,2%. In January alone, around 760 thousand people from classes AB and C return to classes D and E. On the other hand, classes D and E increase 3,03% and 6,73% in one month. That is, all the observed trends get inverted as if bouncing off a solid object. January appears as the critical point in terms of the transition in the composition of economic classes. Crisis starts in stock markets abroad and hits ordinary citizens in the country in the first month of the year.

From February to April, there is a similar profile to the period from September to December 2008, as Class AB keeps decreasing discreetly. As a result of the turn of

the year's event, the accumulated trend of the post-crisis becomes a crisis scenario as people get displaced from higher to lower classes.

Description of the Data bases: PME

The Brazilian Institute of Geography and Statistics (IBGE) implemented the Monthly Employment Survey (PME) in 1980. PME is a monthly survey about workforce and work earnings, and includes the six main metropolitan areas in Brazil: Belo Horizonte, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo.

PME is a panel survey and replicates the US's Current Population Survey aiming to collect information from the same household eight times during a 16-month period. It is carried out on a rotating basis through monthly interviews with families during 4 consecutive months, withdrawing them from the sample during eight months and then interviewing them again for four more months. Between 4500 and 7500 families are interviewed per month in each of the six metropolitan areas, totaling approximately 35000 families. In August 1988, the size of the sample was reduced to around 30000 families per month. PME's longitudinal aspect – that is, it follows the same people through time – enables the analysis of the individual occupational and income risk. Since the start of the PME, there have been changes in the survey aiming to better capture the characteristics of the population in working active age and their inclusion in the productive system. Themes have become wider encompassing the short-term effects and changes in the labor market. General questions about demography and work are the same since February 1982.

The availability of monthly information based on the Monthly Employment Survey (PME) would allow us to work with annual averages, avoiding seasonal problems, besides allowing a detailed analysis of the process dynamics. PME's main restriction lies in the breadth of its income concept, once it only considers income from work.

Through PME, like PNAD, we may analyze the evolution of income and the composition of population groups with the advantage of being a monthly activity, thus becoming an important monitoring tool.

A 360º Revolution

The graph shows that in the pre-crisis period, last years' trends were inverted: classes that had earned greater participation began to lose more and vice-versa. In the pre-crisis period, upper income strata increase and so does the room of more poor people: the accumulated increase since July 2003 until July 2008 of classes AB and C was 35,7% and 23,1% respectively, with an equivalent reduction in the participation of classes D and E, of -15,5% and -37%. Next, when considering the period up to 2009, including the post-crisis period (September 2008 to July 2009), observed an accumulated decrease in class AB (-0,5%) followed by a slight increase in class C (2,5%) and a reduction in

class D (-4,1% in the period). Class E (-3,3%) is more constant. We may call the liquid result of these movements a”360 revolution.

In aggregate terms, if we calculate the income variations in the last years (all the series until July 2009) we see that there has been an improvement in Brazilians’ purchasing power in large metropolises: the accumulated increase since July 2003 of classes AB and C was 35% and 25% respectively, with the corresponding reduction in the participation of classes D and E of -19% and -39%. This displacement, that moves masses of people from the base to the peak of the distribution of income was proportionally stronger at the extremes of the distribution with an emphasis on the greater relative growth of classes in relation to class C – for the new emerging middle class and for the reduction in Class E, the poorest.

PME and the Recent Evolution of Living conditions

The tradition among research institutes like IBGE is to use data from the Monthly Employment Survey on individual levels, and not at the household level. Typically, processing indicators such as unemployment rate, formality and average income from work. Nevertheless, PME is a household survey comparable to the National Household Sample Survey PNAD and may be used as such. This point deserves attention, as the evaluation of the socioeconomic conditions must consider the process of resources division within households. For instance, the fact that the income of an adult worker may benefit other members of his family, like children. Or being benefited by the spouse’s income, which offers a social insurance of a family nature. In this sense, the most adequate concept to assess the poverty level would be the household per capita income of individuals, which corresponds to the sum of income of all people in the households divided by the total number of members. Likewise, when we want to quantify the extension of the middle class in order, for instance, to assess the power to purchase family goods, such as homes, the adequate concept is the total income received by all household members. Both concepts sum up a series of factors opertating on family members, such as level of occupation and revenue, received formally or informally, but whose effects are shared or added by the total number of members.

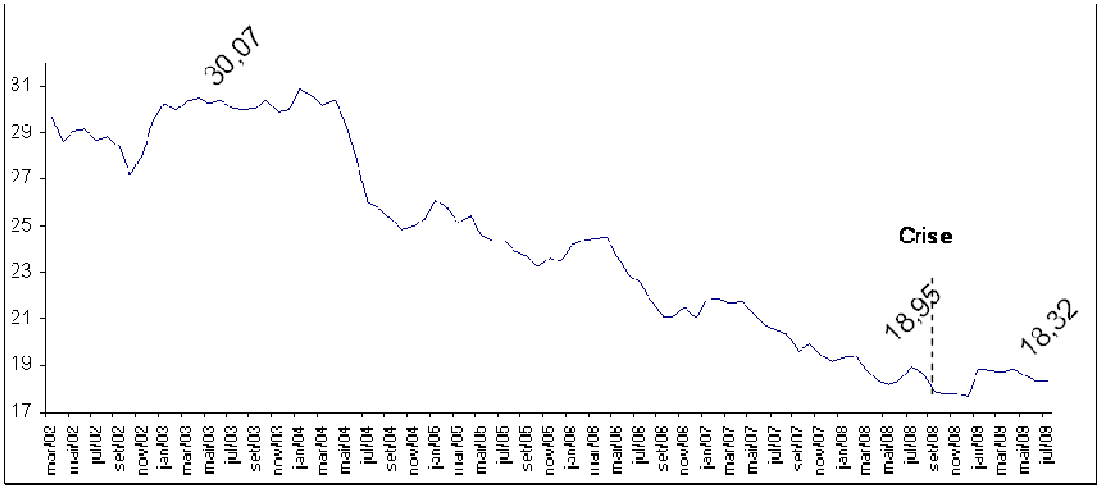
The main issue here is to improve the monitoring of the living conditions of the Brazilian population. How do we assess the social and economic performance by using only the PNAD/IBGE, whose data is on average 18 months late in relation to the time of the collection? For instance, today there has been 22 months since the last national snapshot taken based on PNAD. PNAD went to the field in the first week of October 2008 and will become known only in September 2009, when the crisis’s effects would be at their peak and data collection will happen in prosperous times.

The increase in speed is a necessary requisite to help design an operational monitoring system and evaluation of social targets. This includes both managerial systems within public administrations, as well as monitoring income fluctuations for each group of society. From the private companies’ point of view, that want to become adequate to the business cycle fluctuations in order to adjust their production and to

niche their demand, the urgency is no smaller. As a result of these needs, we suggest using the PME microdata which, thanks to its agile timing, helps to diminish PNAD's lag of one and a half year to a bit more than a month and a half (NERI; CONSIDERA,1996).

Below, we present graphs with the complete monthly series since March 2002 for each economic class. Each graph contains levels followed by another with the respective mobile averages.

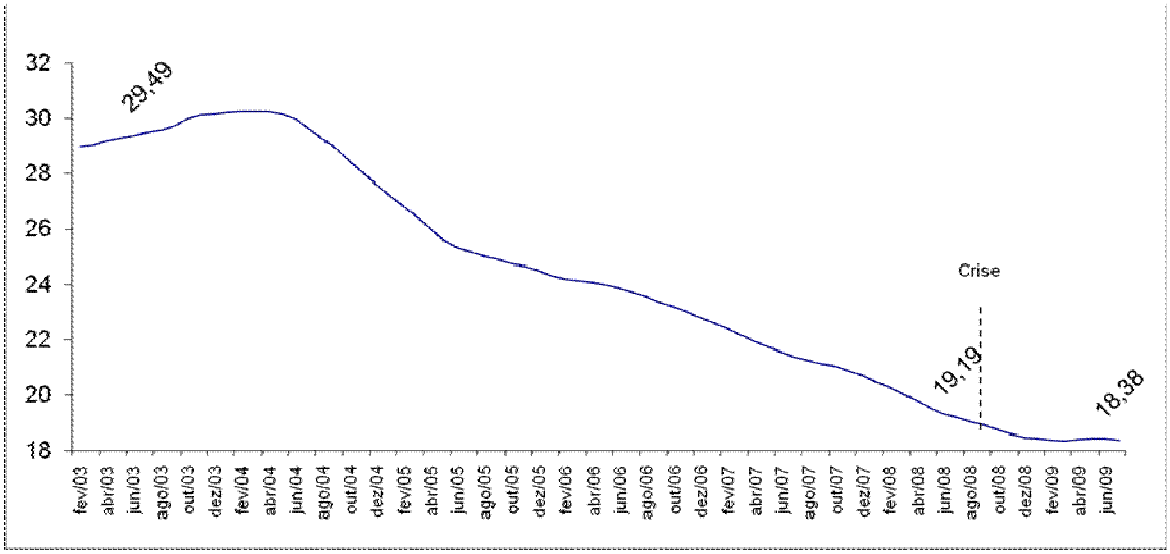
Evolution of Class E
Population 15 to 60 years old
Household Per Capita Income from Work



Evolution of Class E – Moving Average

Population 15 to 60 years old

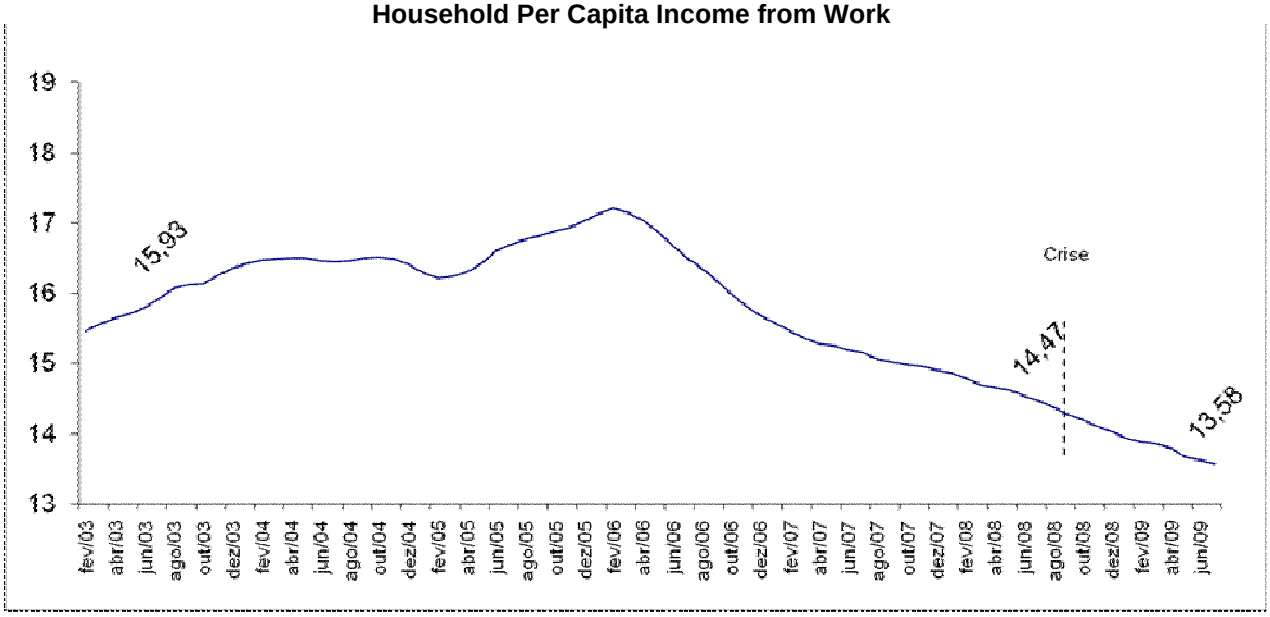
Household Per Capita Income from Work



Source: CPS/FGV based on PME/IBGE microdata

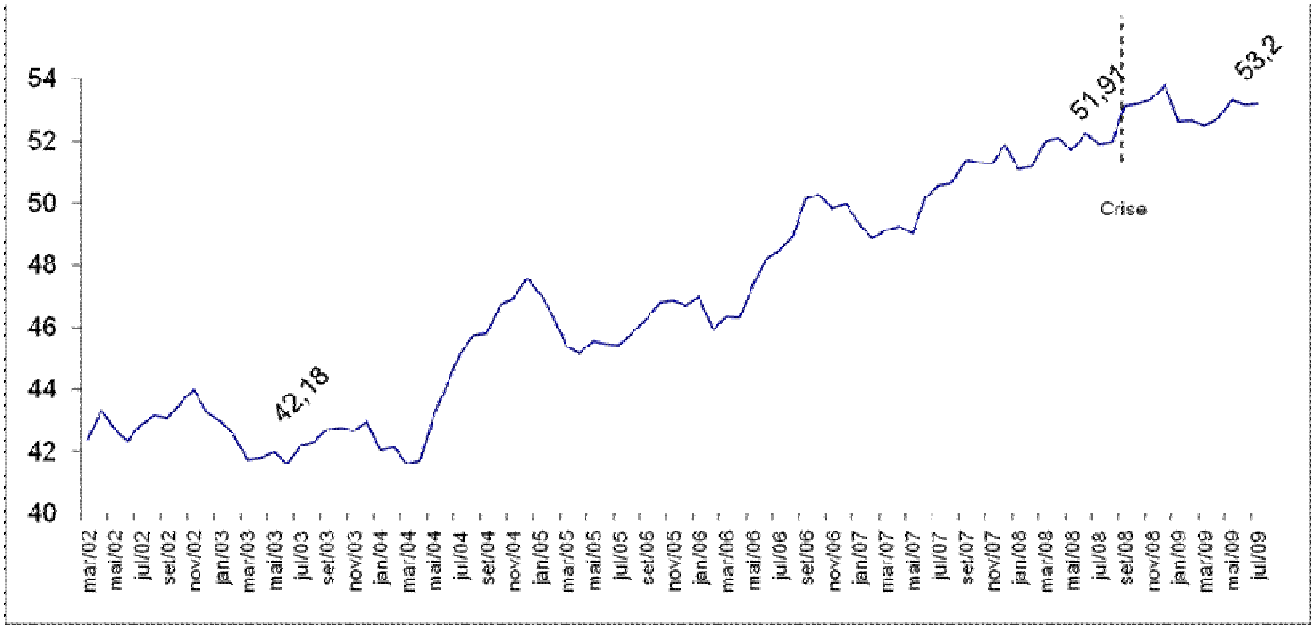
Evolution of Class D
Population 15 to 60 years old
Household Per Capita Income from Work –

Evolution of Class D – 12-Month Moving Average
Population 15 to 60 years old
Household Per Capita Income from Work

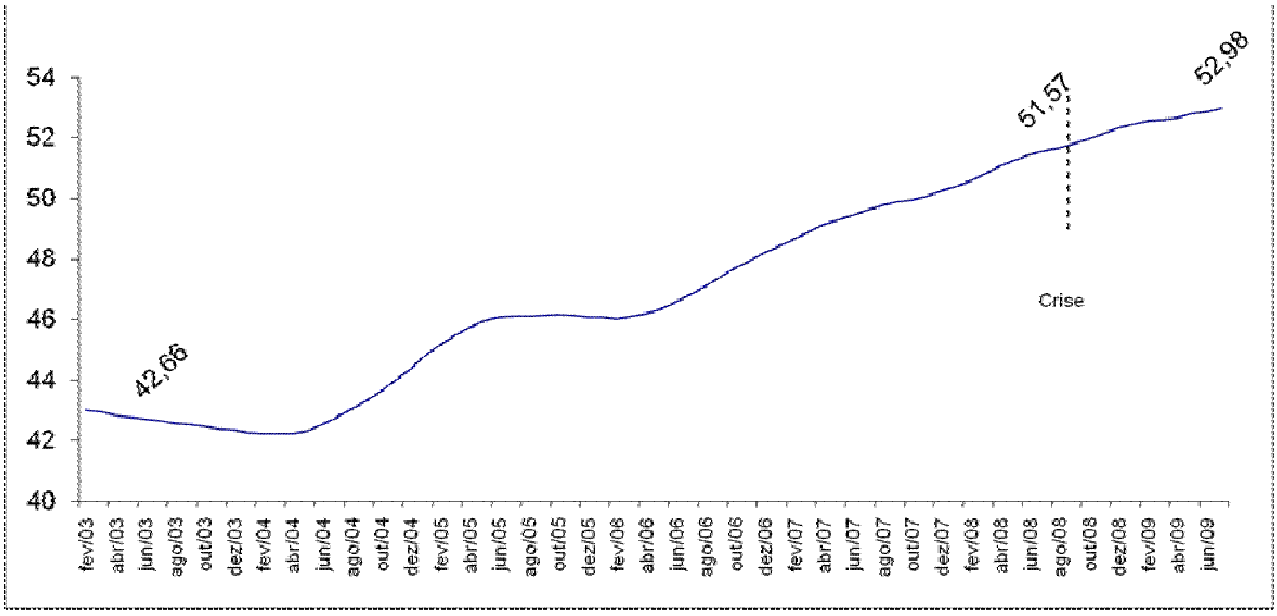


Source: CPS/FGV based on PME/IBGE microdata

Evolution of Class C
Population 15 to 60 years old
Household per Capita Income from Work

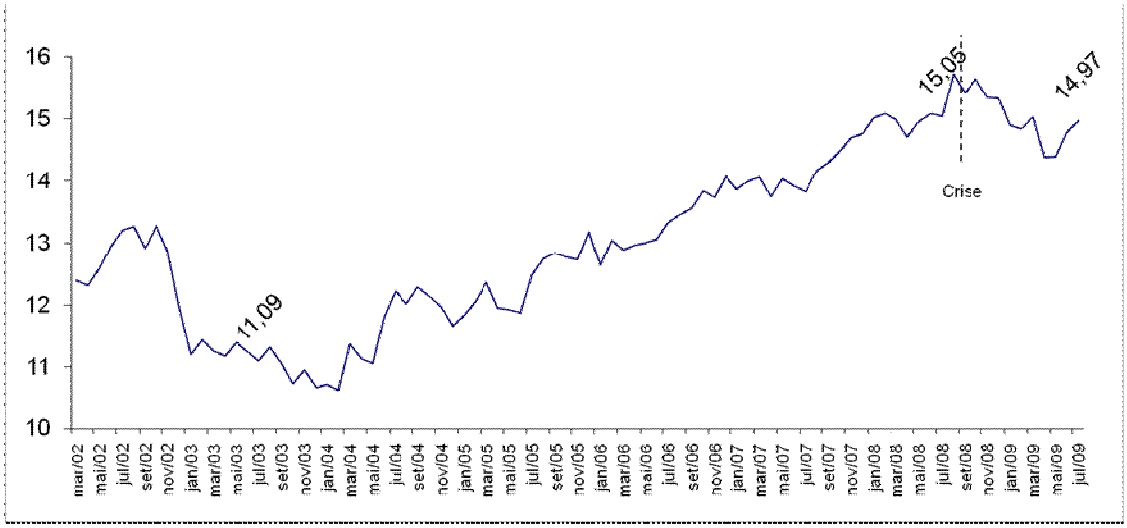


Evolution of Class C – 12-Month Moving Average
Population 15 to 60 years old
Household per Capita Income from Work

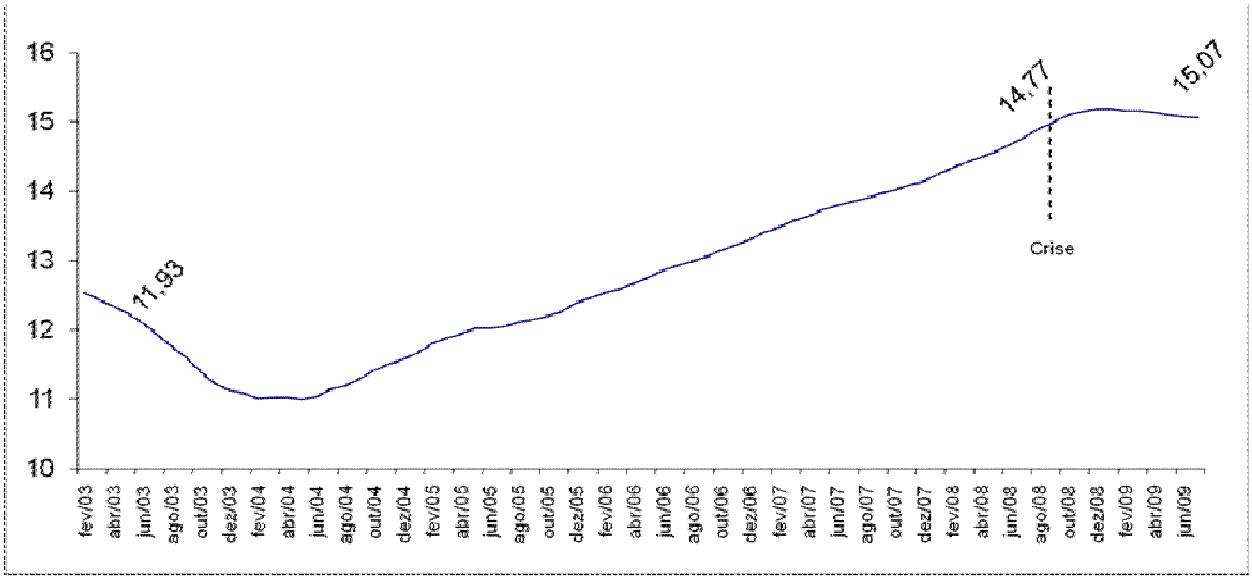


Source: CPS/FGV based on PME/IBGE microdata

Evolution of Class AB
Population 15 to 60 years old
Household per Capita Income from Work

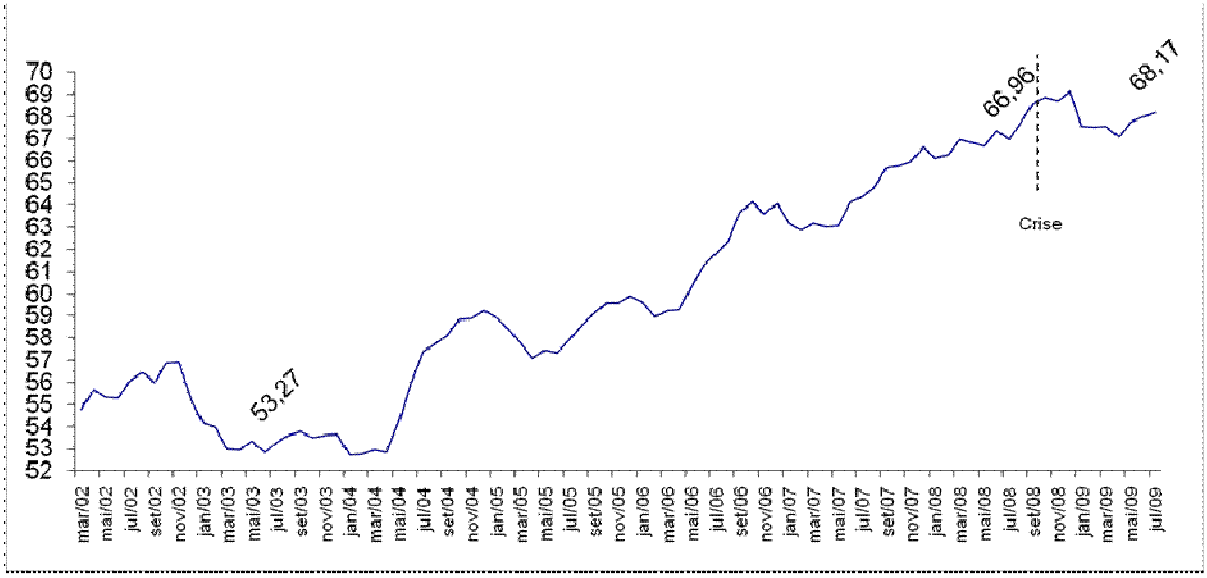


Evolution of Class AB – 12-Month Moving Average
Population 15 to 60 years old
Household per Capita Income from Work

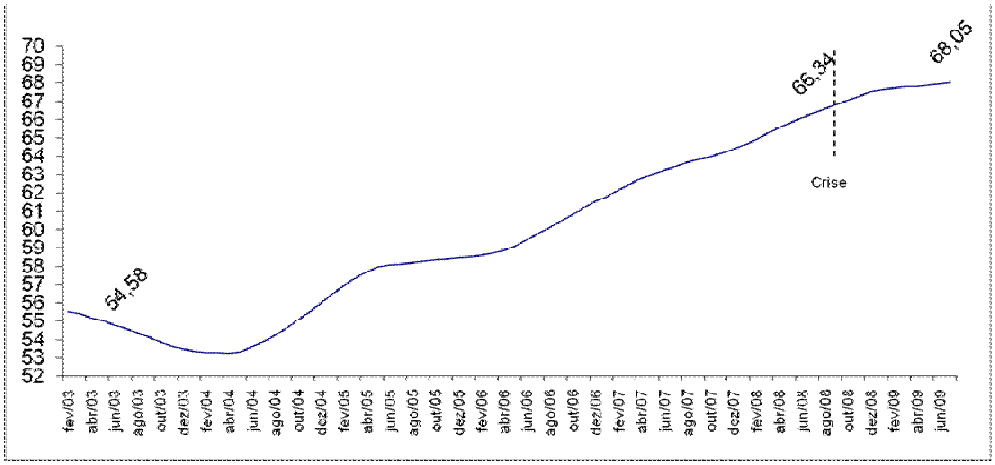


Source: CPS/FGV based on PME/IBGE microdata

Evolution of Class ABC
Population 15 to 60 years old
Household per Capita Income from Work



Evolution of Class AB – 12-Month Moving Average
Population 15 to 60 years old
Household per Capita Income from Work



Source: CPS/FGV based on PME/IBGE microdata

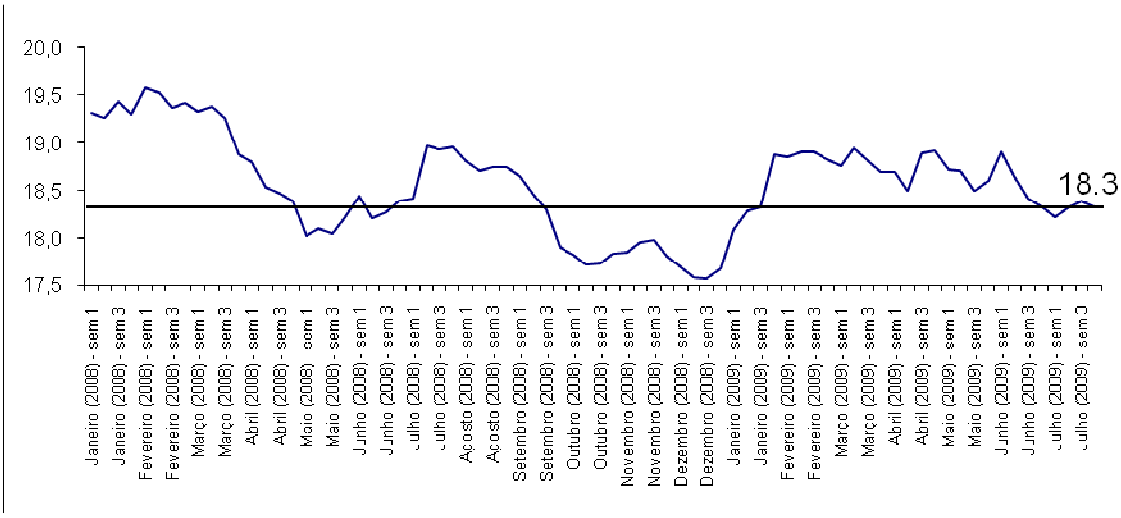
PME on a weekly basis

In this section, we open the monthly survey in weekly basis to better trace the weekly chronology of the crisis, until the last week of July 2009. Illustratively, the mobile average of the four weeks concerning the participation of the extreme classes in our spectrum of economic strata, that is, classes E and AB through the last 17 months. We focus the analysis on the last point in the series, the last week in July as an antecedent (unbiased) indicator of the future trend. By comparing the last point in the series (in the graphs below), we notice that class E has remained stable (18,3% reflects the whole month) but Class AB would keep its decreasing trend at a slower pace (13,9%, 1 percentage point below the monthly average) according to this criterion.

Evolution of Class E – Moving Average 4 weeks

Population 15 to 60 years old

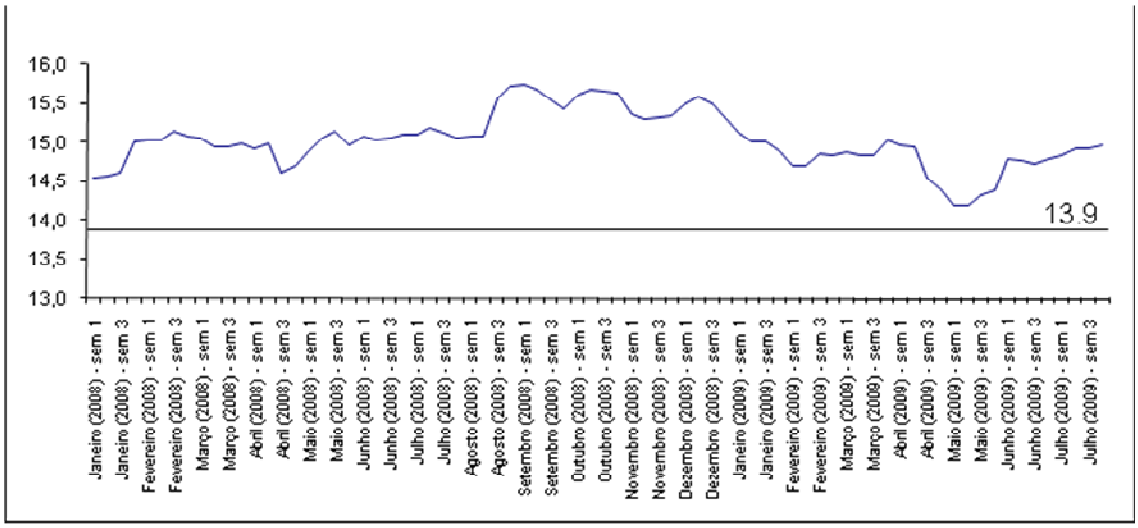
Household per capita income from work - Habitual



Evolution of Class AB – Moving Average 4 weeks

Population 15 to 60 years old

Household per capita income from work - Habitual



Inequality

Income inequality underwent a strong deterioration with the increase in January that compromised last years ’improvements, in July came back to the pre-crises’ levels:

Gini index of household per capita income from work is 0,5815 in the last month, just 0,3% above the index a year before, hence prior to the crisis.

Theil's Inequality Index, which is more sensitive to changes at the bottom of the distribution, shows a similar movement, with increases at the beginning of the year that are being reverted now. Despite that, in July 2009, levels are still higher (0,6807) to the pre-crisis period in July 2008 (0,6688).

We present monthly series of the Gini and Theil-T indexes adopting the individual and per capita concepts.

Levels	Household per capita income - 15 to 60 (total**)		Individual income - 15 to 60 (total**)	
	THEIL	**GINI**	**THEIL**	**GINI**
jul/02	0.8289	0.6386	1.2184	0.7530
jul/03	0.7539	0.6103	1.1281	0.7341
jul/04	0.7384	0.6079	1.0879	0.7221
jul/05	0.7394	0.6013	1.0726	0.7128
jul/06	0.7076	0.5938	1.0354	0.7041
jul/07	0.6994	0.5863	1.0110	0.6954
jul/08	0.6688	0.5798	0.9714	0.6850
ago-08	0.6860	0.5843	0.9852	0.6887
set-08	0.6891	0.5848	0.9854	0.6853
out-08	0.6719	0.5808	0.9614	0.6804
nov-08	0.6871	0.5824	1.0010	0.6837
dez-08	0.6724	0.5778	0.9854	0.6823
jan-09	0.7251	0.5822	1.0584	0.6878
fev-09	0.7115	0.5878	1.0323	0.6927
mar-09	0.6963	0.5870	1.0030	0.6916
abr-09	0.7201	0.5907	1.0100	0.6922
mai-09	0.6906	0.5843	0.9876	0.6879
mai-09	0.6848	0.5830	0.9744	0.6845
jul/09	0.6807	0.5815	0.9722	0.6836

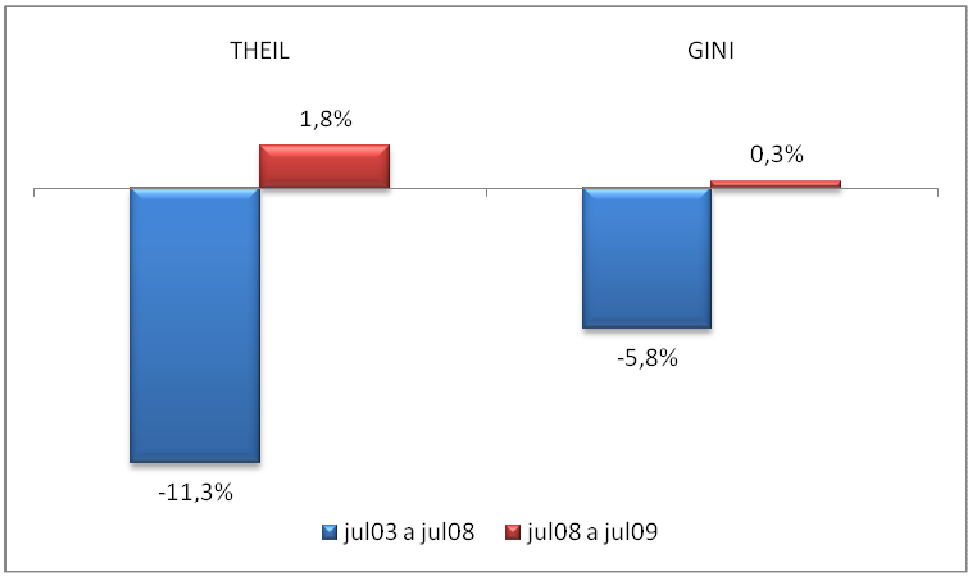
Source: CPS/FGV based on PME/IBGE microdata

Next: variation data for the many concepts in the previous table. The widest concepts that include null incomes tend to present a result close to the null variation by comparing July in both years, while those partial concepts tend to show an improvement, for not capturing the effects of adverse changes in the occupation and unemployment.

Variations	Household per capita income- 15 to 60 (total**)		individual income- 15 to 60 (total**)	
	THEIL	GINI	THEIL	GINI
jul03 to jul08	-11.3%	-5.8%	-13.9%	-6.7%
jul04 to jul08	-9.4%	-4.6%	-10.7%	-5.1%
jul08 to jul09	1.8%	0.3%	0.1%	-0.2%
jul08 to set08	3.0%	0.9%	1.4%	0.0%
set08 to dez08	-2.4%	-1.2%	0.0%	-0.4%
dez08 to jan09	7.8%	2.5%	7.5%	2.3%
jan09 to jul09	-6.1%	-1.8%	-8.2%	-2.0%

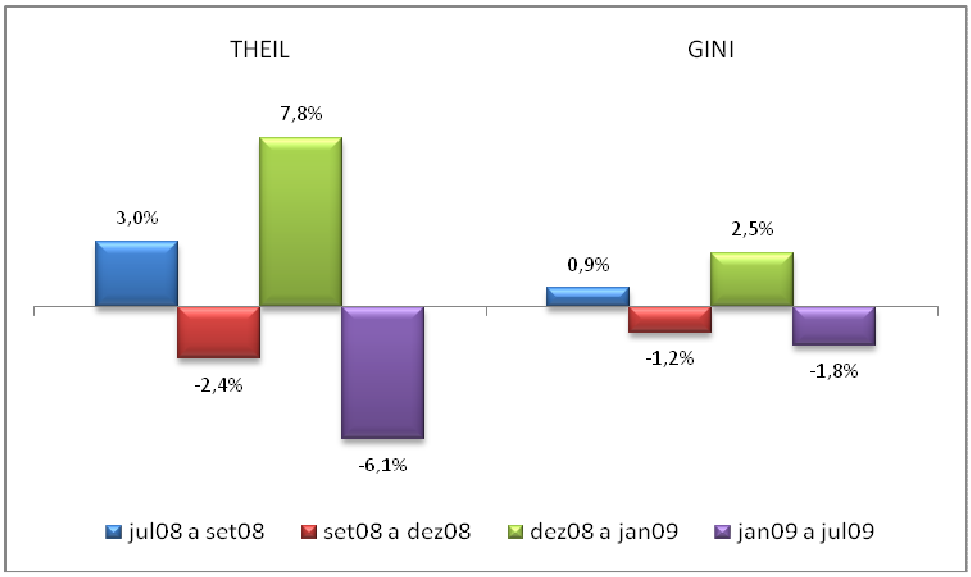
Source: CPS/FGV based on PME/IBGE microdata

Graphs below illustrate variations from July 2003 to July 2008 and from this month until July 2009 for the concept of household per capita income, including null values.



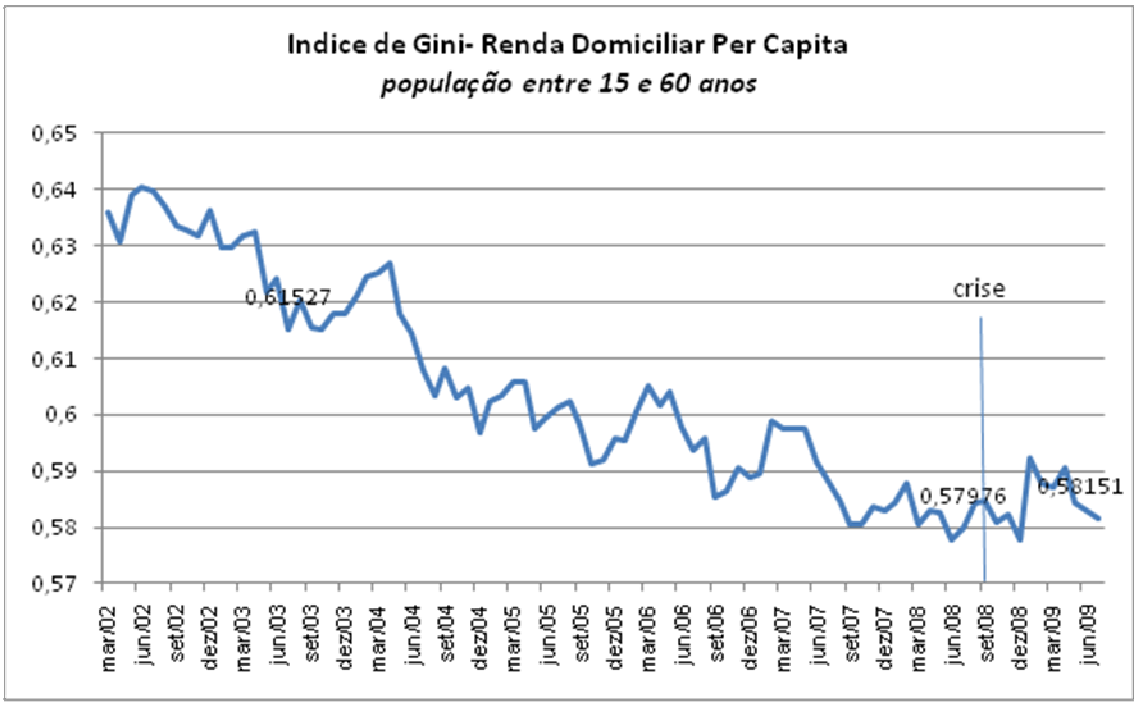
Source: CPS/FGV based on PME/IBGE microdata

The next graph opens last year in sub-periods, identifying the strong deterioration in January followed by a movement in the contrary direction to the following six months.

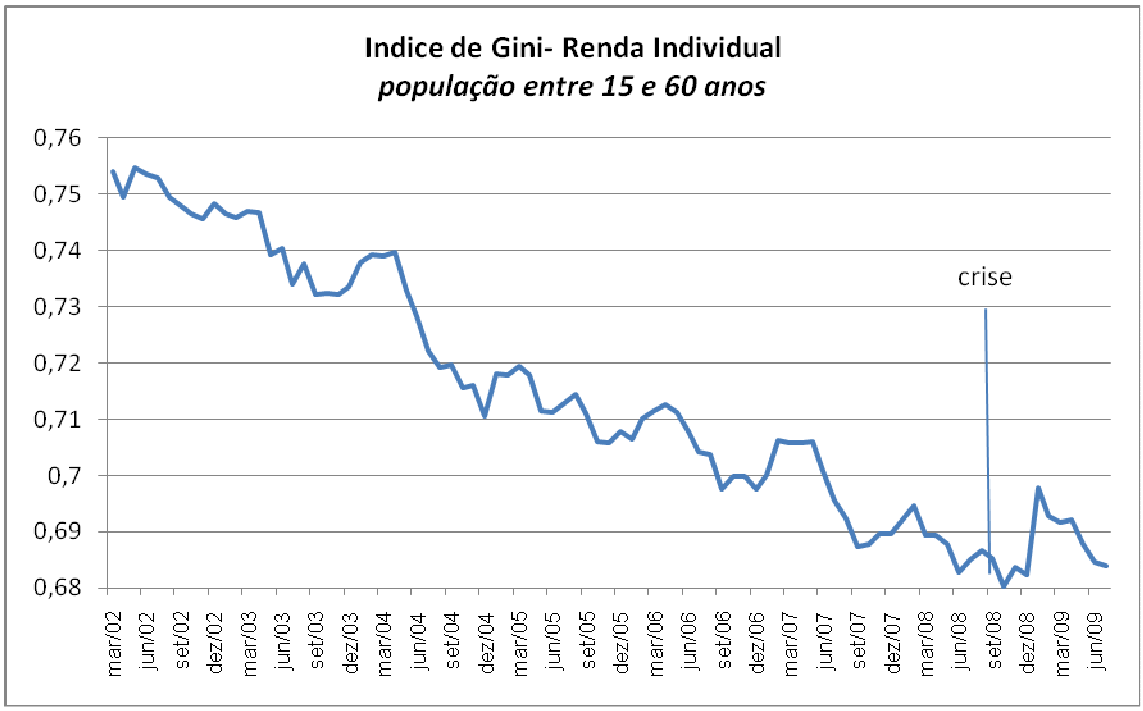


Source: CPS/FGV based on PME/IBGE microdata

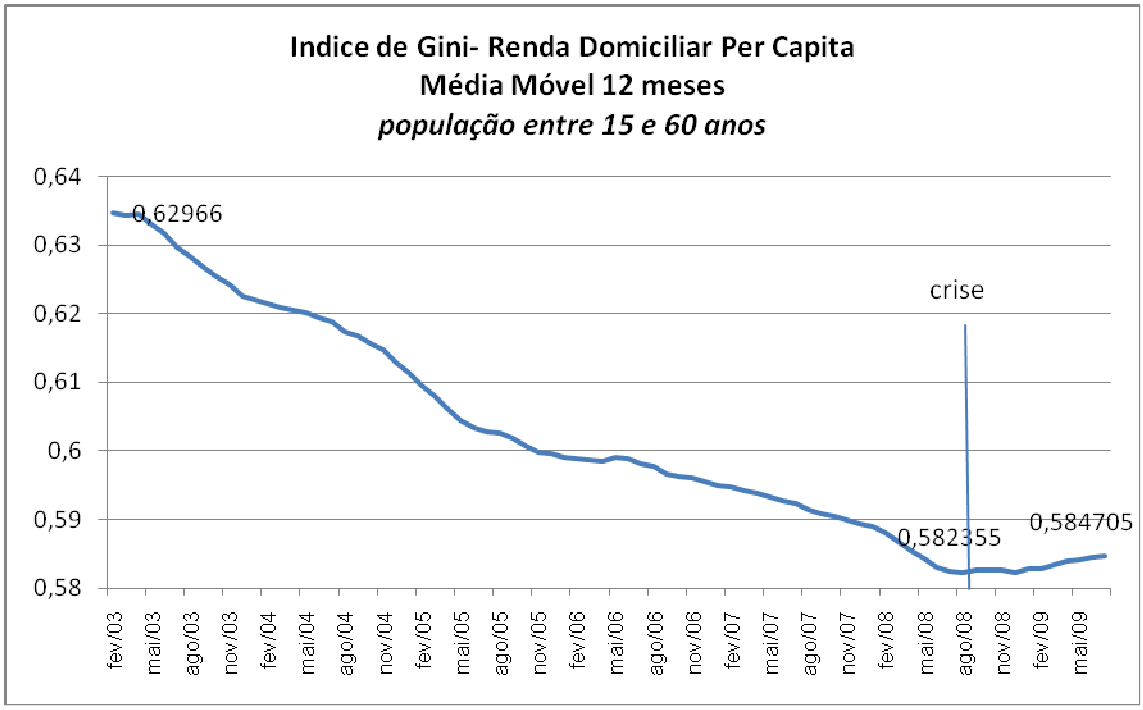
When analyzing the graphs of the mobile averages, we clearly observe the influence of the result from the beginning of the year that shows an inversion in the decrease observed since the series started – a result that has been reverted in the last months, according to the series below.



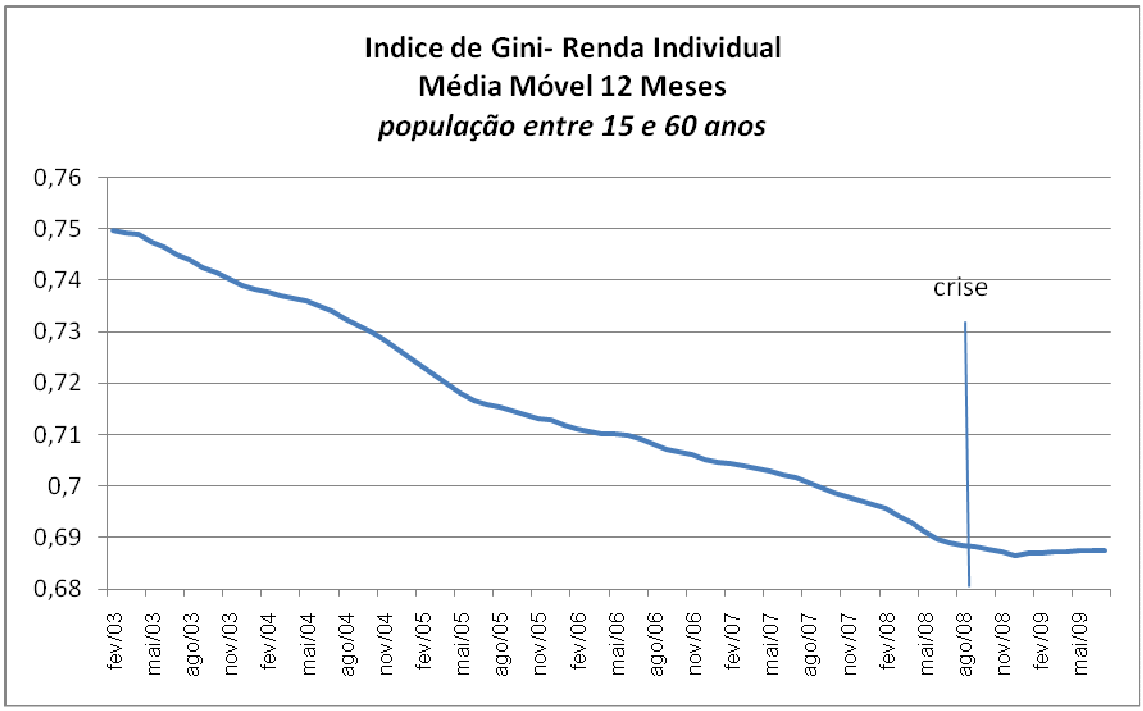
Fonte: CPS/FGV a partir dos microdados da PME/IBGE



Source: CPS/FGV based on PME/IBGE microdata



Source: CPS/FGV based on PME/IBGE microdata



Source: CPS/FGV based on PME/IBGE microdata

Income Risk

PME uses a rotating panel methodology that seeks to collect information in the same households in the months t, t+1, t+2, t+3, t+12, t+13, t+14, t+15, in a total of 8 interviews through a period of 16 months. The initial approach used here consists of calculating the probability of transitions into and out of the four groups in society, and the non-transition between these groups, between pairs of observation of the same people in periods 12-months apart, starting March 2002. The last of the groups analyzed begins in December 2007 and end in January 2008. The longitudinal aspect of the household per capita income from work data will give us the basic empirical evidence about the social mobility pattern observed in practice.

We open the destinations of the transitions from each economic class per year. In the last line of the table, we present 2008 and 2009 information, available until July, which could be a way to measure the possible impacts of the crisis on the transitions among classes. Data show that years 2004 and 2008 stand out in the statistics, with just 59,5% and 59,91% of class E that remains class E, one year after the first observation (collected in 2003 and 2007, respectively). If we look at what happened in the first month in 2009 in view of the same period one year before, there was an increase of 0, percentage point in the number of people who remained class E (60,67%).

Matrix of Destinations- (who was class E initially)

Was initially class E

Matrix of Transition of Class E

6 Main Metropolitan Regions

Per capita income from work Habitual - 15 to 60 years old (PIA)

Mobility Annual

Initial Period	Final Period (1 year later)			
	Class E	Class D	Class C	Class AB
2002	*61.47*	*16.80*	*18.18*	*3.55*
2003	*59.50*	*18.64*	*18.34*	*3.52*
2004	*61.16*	*19.07*	*17.12*	*2.65*
2005	*64.10*	*18.00*	*16.07*	*1.83*
2006	*63.31*	*18.48*	*16.12*	*2.09*
2007	*59.91*	*17.60*	*19.00*	*3.49*
2008*	*60.67*	*17.35*	*18.97*	*3.01*

*until July 2009

Source: CPS/FGV based on PME/IBGE microdata

Generally, the year 2008 stood out more for the transitions from class E towards other classes D and C; the relative presence of transitions in relation to the class, following the same person during a year. When analyzing the extreme opposite, those who remained in class AB, began to show a negative growth in 2008 and 2009, as measured until June. It had grown strongly and begins to lose ground in relative and absolute terms.

Was AB initially

Matrix of transition of class AB
6 Main metropolitan regions
Per capita income from work - 15 to 60 years old (PIA)
Mobility Annual

		Final Period (1 year later)			
		Class E	Class D	Class C	Class AB
Initial Period	2002	*8.50*	*1.15*	*25.47*	*64.88*
	2003	*5.38*	*0.75*	*20.21*	*73.66*
	2004	*2.77*	*0.47*	*17.06*	*79.70*
	2005	*3.16*	*0.47*	*16.26*	*80.11*
	2006	*2.96*	*0.39*	*14.32*	*82.34*
	2007	*3.20*	*0.43*	*16.93*	*79.44*
	2008*	*4.02*	*0.45*	*20.65*	*74.88*

*until July 2009

Source: CPS/FGV based on PME/IBGE microdata

Despite the 2009 decrease compared to the same period in 2008, class C continues above 81%. Until July 2009, 81,22% of the population initially C remains in this class (it was 81,67% in 2008).

Was class C initially

Matrix of transition of class C
6 Main metropolitan regions
Per capita income from work Habitual - 15 to 60 years old (PIA)
Mobility Annual

		Final Period (1 year later)			
		Class E	Class D	Class C	Class AB
Initial Period	2002	*12.31*	*12.18*	*70.26*	*5.25*
	2003	*7.99*	*9.61*	*76.02*	*6.38*
	2004	*6.46*	*10.20*	*77.01*	*6.33*
	2005	*5.52*	*7.83*	*80.14*	*6.51*
	2006	*5.18*	*7.15*	*81.51*	*6.15*
	2007	*4.86*	*7.07*	*81.67*	*6.40*
	2008*	*5.60*	*7.42*	*81.22*	*5.76*

*until July 2009

Source: CPS/FGV based on PME/IBGE microdata

Matrix of Destinations - (who was class D initially)

Was class D initially

Matrix of Transition of class D

6 main metropolitan regions

Per capita income work habitual - 15 to 60 years old (PIA)

Mobility Annual

		Final Period (1 year later)			
		Class E	Class D	Class C	Class AB
Initial Period	2002	*32.31*	*36.49*	*30.45*	*0.75*
	2003	*23.31*	*39.93*	*36.15*	*0.62*
	2004	*21.54*	*43.33*	*34.56*	*0.57*
	2005	*18.92*	*41.49*	*38.91*	*0.68*
	2006	*16.54*	*45.20*	*37.70*	*0.55*
	2007	*16.17*	*43.18*	*40.03*	*0.63*
	2008*	*17.62*	*43.53*	*38.34*	*0.51*

*until July 2009

Source: CPS/FGV based on PME/IBGE microdata

We analyze here the transitions into and out of the four income groups. The reader may analyze changes in social classes in pre- and post-crisis periods through the previous matrices or by different socio-demographic groups, in the Social Mobility Panorama available on the research website.

Mobility Panorama

On the site of the research, there is a social mobility panorama through which it is possible to obtain the proportion of individuals that enter and leave each economic class, by different socio-economic characteristic. The information in the table informs the probabilities of transitions. For that, pick a period (annual or crisis) and the initial class for analysis. To compare more than one period, press Ctrl

Regional Changes

We present next the evolution of class ABC in the main Brazilian metropolises. As we could observe, when considering the period in the last seven years, all metropolises present an accumulated growth in rate. Generally, Sao Paulo Metropolitan area has the best indexes in all years, reaching in July 2009, 73% in population ABC. Between july 2007 and 2008, growth reached 5,3% in one year, and remained stable now in the last year (July 2009). In the meantime, Belo Horizonte metropolitan area presents the best relative performance, gaining new positions in the rankings of class ABC. Third in class size, accumulated growth was 52,5% since 2003 (3,94% in the last year), reaching in July 2009, 70,7% of the population in this group. In the remaining regions, we see Porto Alegre that continues second in the ranking, with 71,1% of the population in class ABC in the last month (growth of 2,64% between 2008 and 2009). Rio de Janeiro with 66,98% in July grow 2,76% in the last year. Next, Salvador and Recife are in the two last places respectively with 61,2% and 47,8% despite the good performance (over 50% growth in seven years). In the presentation (attached) it is possible to find the same regional tables for the remaining income classes.

Metropolitan Areas

Class ABC

Rate - July -Class ABC								
Total Population								
Category		jul/03	jul/04	jul/05	jul/06	jul/07	jul/08	jul/09
Total	Class ABC	53.27	57.38	57.91	61.81	64.38	66.96	68.17

Rate - July -Class ABC								
Metropolitan Area								
Category		jul/03	jul/04	jul/05	jul/06	jul/07	jul/08	jul/09
Recife	Class ABC	31.79	34.66	39.23	41.81	44.4	43.98	47.81
Salvador	Class ABC	39.65	46.11	49.78	53.29	58.34	59.25	61.2
Belo Horizonte	Class ABC	46.36	52.42	53.67	60.87	65.35	68.01	70.69
Rio de Janeiro	Class ABC	55.8	57.48	55.77	60	63	65.18	66.98
São Paulo	Class ABC	59.42	63.74	64.3	67.77	69.29	72.98	72.99
Porto Alegre	Class ABC	55.82	62.67	62.28	64.56	66.74	69.26	71.09

Source: CPS/FGV based on PME/IBGE microdata

Metropolitan Areas

Evolution of Class ABC

Variation - July - Class ABC								
Total Population								
Category		Jul (2009/2003)	Jul (2004/2003)	Jul (2005/2004)	Jul (2006/2005)	Jul (2007/2006)	Jul (2008/2007)	Jul (2009/2008)
Total	Class ABC	27.97%	7.72%	0.92%	6.73%	4.18%	4.01%	1.81%

Variation - July - Class ABC								
Metropolitan Area								
Category		Jul (2009/2003)	Jul (2004/2003)	Jul (2005/2004)	Jul (2006/2005)	Jul (2007/2006)	Jul (2008/2007)	Jul (2009/2008)
Recife	Class ABC	50.39%	9.03%	13.19%	6.58%	6.19%	0.95%	8.71%
Salvador	Class ABC	54.35%	16.29%	7.96%	7.05%	5.48%	1.56%	3.29%
Belo Horizonte	Class ABC	52.48%	13.07%	2.38%	13.42%	7.36%	4.07%	3.94%
Rio de Janeiro	Class ABC	20.04%	3.01%	-2.97%	7.58%	5.00%	3.46%	2.76%
São Paulo	Class ABC	22.84%	7.27%	0.38%	5.40%	2.24%	5.33%	0.01%
Porto Alegre	Class ABC	27.36%	12.27%	-0.62%	3.66%	3.38%	3.78%	2.64%

Source: CPS/FGV based on PME/IBGE microdata

Class AB

Capitals x Suburbs

Total - July - Rate - Class AB								
Total Population								
Category		jul/03	jul/04	jul/05	jul/06	jul/07	jul/08	jul/09
Total	Class AB	11.09	12.22	12.48	13.33	13.82	15.05	14.97

Total - July - Rate - Class AB								
Capitals e Suburbs								
Category		jul/03	jul/04	jul/05	jul/06	jul/07	jul/08	jul/09
Capital Recife	Class AB	11.06	10.74	11.99	12.46	11.91	12.35	10.73
Suburb Recife	Class AB	2.75	3.61	4.34	4.42	4.22	3.75	4.17
Capital Salvador	Class AB	10.05	10.85	12.4	12.39	13.32	14.35	15.3
Suburb Salvador	Class AB	2.28	4.37	2.6	6.26	3.36	7.85	8.62
Capital Belo Horizonte	Class AB	13.76	13.57	16.57	10.91	20.6	20.37	21.03
Suburb Belo Horizonte	Class AB	2.31	4.26	3.72	5.2	5.52	6.21	6.82
Capital Rio de Janeiro	Class AB	15.89	16.6	15.57	16.22	19.04	20.5	20.11
Suburb Rio de Janeiro	Class AB	4.83	4.7	4.41	5.25	7.71	8	9.15
Capital São Paulo	Class AB	17.88	19.7	20.34	20.81	19.39	22.32	20.88
Suburb São Paulo	Class AB	7.28	6.98	8.34	10.49	10.04	12.16	11.48
Capital Porto Alegre	Class AB	20	22.55	22.67	21.05	25.90	25	27.4
Suburb Porto Alegre	Class AB	5.26	6.87	8.37	8.77	3.66	7.9	9.84

Source: CPS/FGV based on PME/IBGE microdata

Evolution of Class ABC

Capitals x Suburbs

Variation – July – Class ABC								
Total Population								
Category		Jul (2009/2003)	Jul (2004/2003)	Jul (2005/2004)	Jul (2006/2005)	Jul (2007/2006)	Jul (2008/2007)	Jul (2009/2008)
Total	Class ABC	27.97%	7.72%	0.92%	6.73%	4.16%	4.01%	1.81%

Variation – July – Class ABC								
Capitals and Suburbs								
Category		Jul (2009/2003)	Jul (2004/2003)	Jul (2005/2004)	Jul (2006/2005)	Jul (2007/2006)	Jul (2008/2007)	Jul (2009/2008)
Capital Recife	Class ABC	42.89%	9.66%	9.88%	5.96%	0.71%	5.93%	4.91%
Suburb Recife	Class ABC	59.22%	8.56%	16.83%	7.67%	11.25%	-6.78%	12.98%
Capital Salvador	Class ABC	53.68%	16.09%	8.42%	6.00%	8.62%	-0.28%	6.35%
Suburb Salvador	Class ABC	61.50%	16.60%	5.96%	14.35%	13.87%	10.22%	-8.93%
Capital Belo Horizonte	Class ABC	40.48%	10.14%	4.35%	9.86%	5.70%	2.78%	2.42%
Suburb Belo Horizonte	Class ABC	72.55%	17.56%	0.16%	19.05%	9.78%	5.73%	6.05%
Capital Rio de Janeiro	Class ABC	16.52%	5.43%	-1.87%	3.35%	2.08%	5.53%	1.16%
Suburb Rio de Janeiro	Class ABC	25.39%	0.25%	-4.49%	13.65%	8.72%	1.04%	4.88%
Capital São Paulo	Class ABC	19.06%	7.08%	0.63%	3.12%	0.41%	7.44%	-0.68%
Suburb São Paulo	Class ABC	29.22%	7.92%	1.37%	8.77%	5.08%	2.66%	0.67%
Capital Porto Alegre	Class ABC	17.01%	4.69%	-2.03%	4.00%	4.63%	3.75%	1.05%
Suburb Porto Alegre	Class ABC	36.05%	17.89%	0.79%	3.52%	2.53%	3.99%	3.73%

Source: CPS/FGV based on PME/IBGE microdata