

Brazil's Demographic Opportunity

How Brazil can take advantage of a future with fewer children per couple.

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PRELIMINARY DATA FROM THE 2010 CENSUS

create an interesting picture of the changes that the Brazilian population has gone through in the past ten years. Brazil's population grew, on average, 10% between 2000 and 2010, but the fertility rate is below 2.1 children per woman, the minimum to keep a population from shrinking. According to César Marques, a demographer from the University of Campinas, the main challenge Brazil will face in the future is how to maintain a healthy Social Security system if the number of older and retired people will likely be much larger than it is today. Read on to learn about all the variables at play in this story.

1 BRAZIL'S POPULATION IS BIGGER

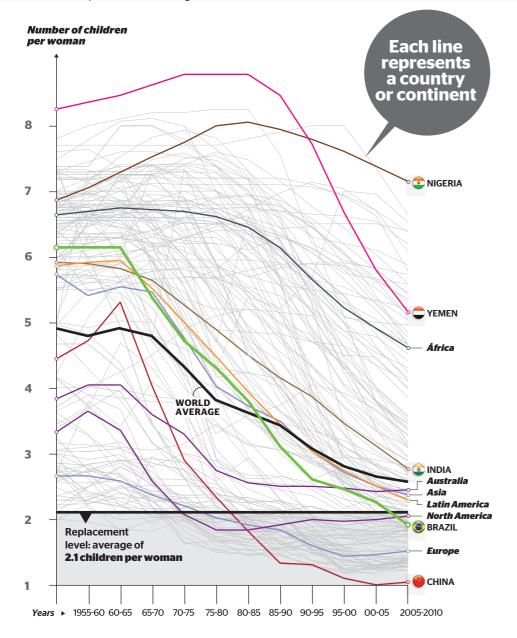
The 2010 Census has revealed a 9.4% population increase between 2000 and 2010. The differences between states, as you can see on the chart on the right, are noticeable. Most rich states, such as São Paulo and Rio, didn't grow as fast as the ones in the north east.

2000 **169.799.170** 2010 **190,732,694**

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		1			
	2000	2010	Change		
AP	477,032	648,553		36.0%	
RR	324,397	425,398		31.1%	
AC	557,526	707,125		26.8%	
DF	2,051,146	2,469,489		20.4%	
PA	6,192,307	7,443,904		20.2%	
M	2,812,557	3,350,773		19.1%	
то	1,157,098	1,373,551		18.7%	
MT	2,504,353	2,954,625		18.0%	
GO	5,003,228	5,849,105		16.9%	
MS	2,078,001	2,404,256		15.7%	
SC	5,356,360	6,178,603		15.4%	
SE	1,784,475	2,036,277		14.1%	
MA	5,651,475	6,424,340		13.7%	
RN	2,776,782	3,121,451		12.4%	
RO	1,379,787	1,535,625		11.3%	
CE	7,430,661	8,180,087		10.1%	Above
AL	2,822,621	3,093,994		9.6%	average (Data updated on November 4, 2010
ES	3,097,232	3,392,775		9.5%	
PB	3,443,825	3,753,633		9.0%	The map shows the change in populatio
PI	2,843,278	3,086,448		8.6%	in Brazilian municipalities. Betwee
PE	7,918,344	8,541,250		7.9%	average 2000 and 2010, 1,630 cities and town.
SP	37,032,403	39,924,091		7.8%	from a total of 5,506, lost population. Ri
PR	9,563,458	10,266,737		7.4%	Grande do Sul is the state with a the larges
ИG	17,891,494	19,159,260		7.1%	number of municipalities that lost inhabitant.
RJ	14,391,282	15,180,636		5.5%	due to a significant drop in fertility rate
BA	13,070,250	13,633,969	-	4.3%	and domestic migratio
RS	10,187,798	10,576,758	-	3.8%	und domestic migratio
	AV	ERAGE +9.	4% 📥		Sources: IBGE, UN, World Bank, César Marques (UNICAM)

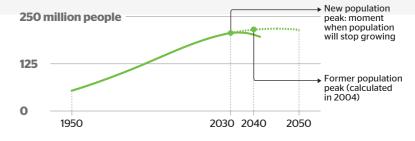
2 —BUT THE FERTILITY RATE IS MUCH LOWER THAN EXPECTED

A study in 2004 estimated that in 2010, the fertility rate would be 2.4 children per woman, on average. But new data collected by the IBGE prove that the fertility rate is already 1.9, below the threshold called "replacement rate". When the fertility rate drops below this number, the population of a country will eventually start to shrink and grow older.



3 AS A CONSEQUENCE, POPULATION WILL STOP GROWING—

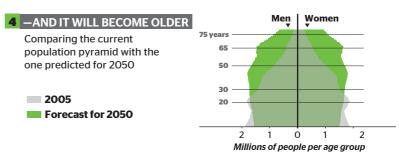
Forecasts made in 2004 anticipated that Brazil's population would stop growing in 2040. But the most recent data from the IBGE suggests that this could happen much earler, in 2030.



POPULATION CHANGE

+0.1% -0.1%

Average



How Brazil can transform the population challenge into an opportunity

- As the population ages, the proportion of people of working age increases. The country will therefore have more people producing wealth (if the labor market can absorb them) and fewer children to consume investments. It is a window of opportunity, because in some cases the number of people of working age to fall back when older people are leaving the market.
- The population under 15 years of age is falling today. A smaller number of student in public schools will facilitate the quality of teaching, if the amount invested in education stays the same.
- Educational policy focused on low-income youth favors the formation of more skilled workforce and greater social mobility.
- In the future, Brazil will reach the stage of Europe and Japan, which struggle to support their elders. This is why it's so important to prepare a more balanced retirement system, which will include retirement at a later age.