

# Income Inequality & Education in Brazil

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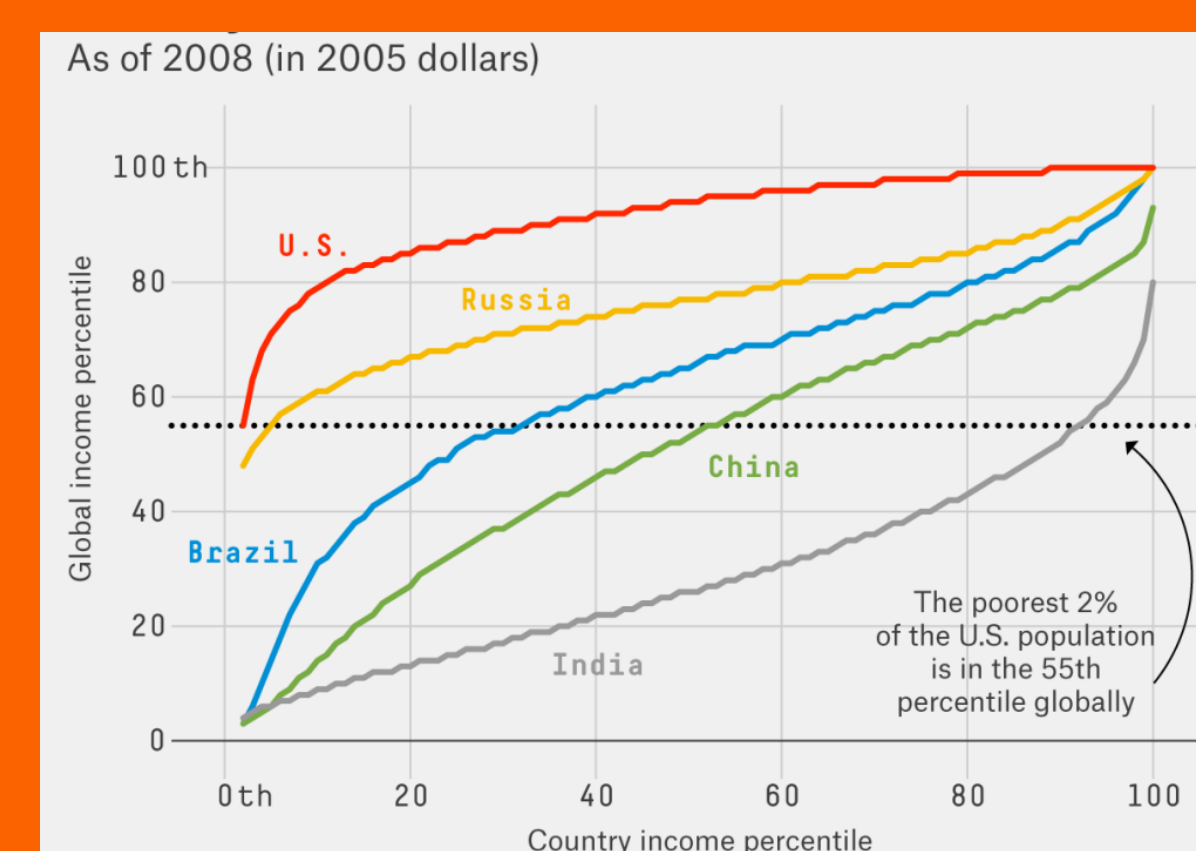


## INTRODUCTION

Brazil's economy is the 6<sup>th</sup> largest and most powerful in the world. In many ways, Brazil is on par with or exceeding global standards. However, the country has a history of income inequality which has slowly improved, but is still one of most extreme in the world. Why is one of the most successful countries in the world home to such large income disparities? This research focuses on the issue of income inequality and one likely solution—reforming the Brazilian education system.

## INCOME INEQUALITY

Income inequality in Brazil is the **19<sup>th</sup> worst in the world**, with a **Gini coefficient of 51.3**. Brazilian economists say statistical measures understate the income inequality problem that people face. **The six richest men in Brazil have the same wealth as the 100 million people in the lowest 50% of the population.** In countries with a large disparity in income, economic growth tends to slow and the poor are unable to contribute much to the economy. For poverty-stricken communities, living on a **dollar per day** is not uncommon. Many favelas are without running water and electricity. Many Brazilians find the informal economy much easier to work in because of taxes, transportation, education, etc. **Only 20% report income taxes.** Due to a large income gap and slow economic growth, **Brazil is years behind compared to similar countries.**



***“Inequality can only be solved by one means—education.”***  
**-Robson Barreto, AMCHAM Director**

## MAIN TAKEAWAYS

- Educating the population will take time, but it is necessary to improve income inequality. If people are educated, income will increase which will help the economy grow.
- Inequality exists on a multitude of levels in Brazil, in nearly every system.
- Not all economic dilemmas can accurately viewed and solved with quantitative data.
- Brazil should ensure education funds are being spent wisely for the benefit of the students.
- Invest more on the people of Brazil and the infrastructure and institutions to benefit society and the economic system
- There are physical, social, political, and economic barriers preventing Brazilians from progressing

## STUDY ABROAD EXPERIENCE

I am very thankful to have studied abroad in Brazil and experience a new economic culture. I learned a lot and grew in ways that I did not expect. Professionally, I appreciate the opportunity to learn about economics from a different country's perspective. Not all economic concepts seen in the United States can be applied to Brazil and vice-versa. We visited several companies which allowed me to network and broaden my career interests. Personally, I feel more privileged to live my current lifestyle. I feel that I am more open-minded as well. For future employment, my experiences and growth from this trip will benefit me immensely. We visited very successful companies and learned how they operate and became so great. We also visited several start-ups which allowed us to view innovation in action. Lastly, not only did I learn about Brazil's economy, but I learned to view the U.S. economy more objectively.

## SOURCES

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