LIVRES

Income Disparity Index 2025

The income distance between the **state elite** and the population in Brazil

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The Livres Income Disparity Index (IDI) is a tool designed to rigorously and clearly measure the gap between the salaries of Brazil's state elite and the reality of the population they are meant to represent. In a context of growing distrust in institutions and a perceived distance between representatives and those they represent, the IDI translates this perception into concrete, comparable, and trackable data.

The methodology is simple yet powerful: we compare the gross monthly compensation of public officials — such as mayors, councilors, congresspeople, governors, judges, Supreme Court justices, and the President of the Republic — with the per capita household income of the population under their jurisdiction. The resulting index reveals how far these public officeholders live above (or outside) the social reality of the citizens who elect and fund them.

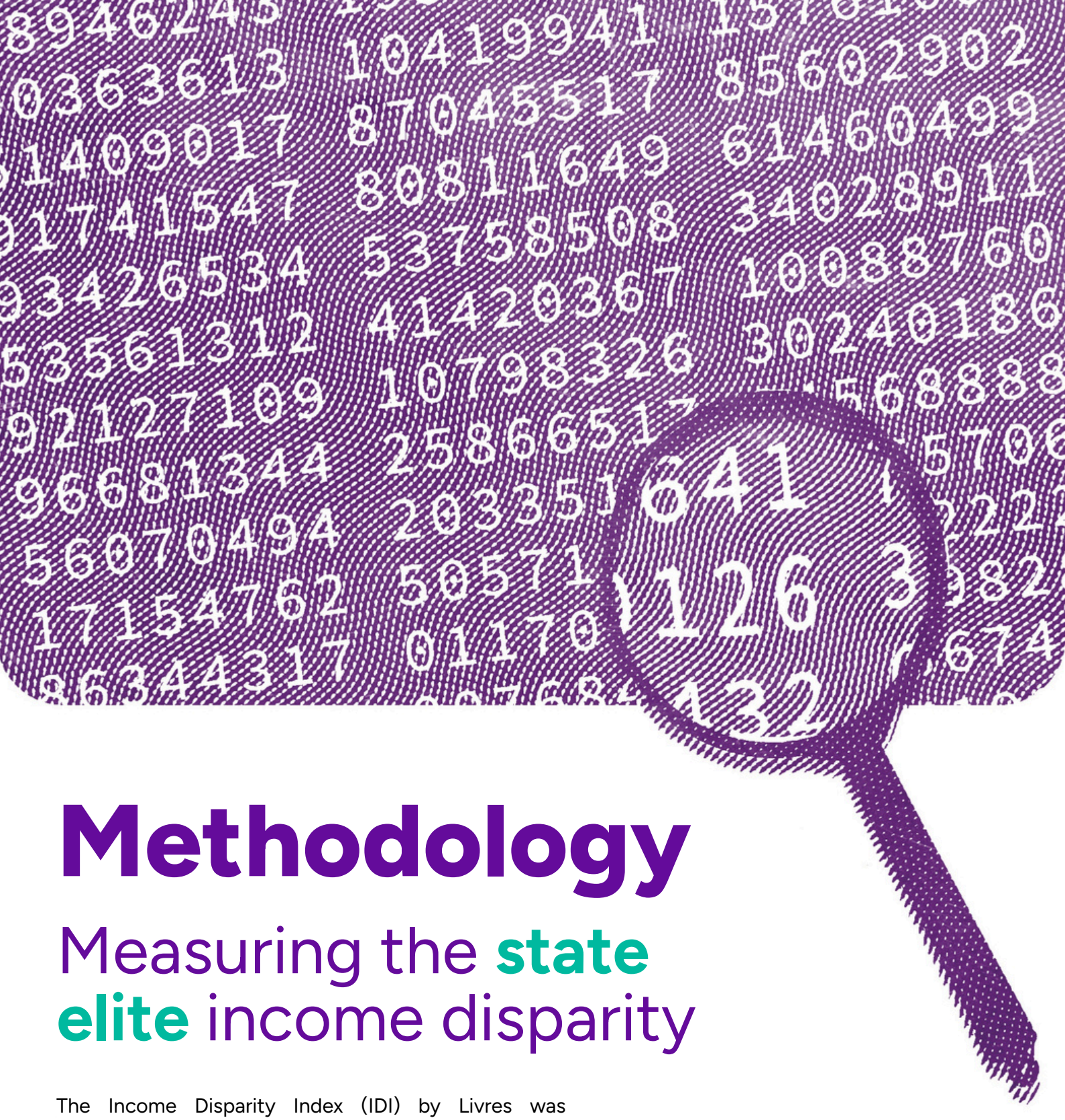
The IDI covers all federal levels and the three branches of the Republic, and it also provides an international comparison with a sample of 17 countries of different economic, institutional, and regional profiles, including mature democracies and nations with income levels similar to Brazil.

The results are striking: Brazil holds a IDI of 21.27 in the national executive branch, while the average among the other countries analyzed is 10.20. This means Brazil's disparity is approximately 108% higher than the global average — even when compared with countries facing similar income levels, development stages, or institutional challenges.

This finding reinforces that inequality between representatives and the represented in Brazil is not merely a matter of perception or public dissatisfaction — it is a quantifiable, structural reality, and significantly more severe than what is observed in other democracies.

It is also important to highlight that this institutional inequality compounds an already highly unequal structure: Brazil has a Gini coefficient of 0.52, according to the World Bank's Poverty and Inequality Platform (2024), placing it among the most unequal countries in the world. Still, WDI data shows that state elites operate with an even sharper logic of income concentration than the market itself. Instead of offsetting inequality, the formal public sector deepens it — creating a kind of "state Gini" that makes explicit the distance between institutions and society.

This index inaugurates an annual publication series aimed at fostering a more evidence-based debate on the cost of the public sector and the need for reforms that strengthen the legitimacy of institutions and bring them closer to the population.



Methodology

Measuring the **state elite** income disparity

The Income Disparity Index (IDI) by Livres was conceived as a simple and straightforward tool to compare the earnings of the state elite with the average income of the population they represent. It is calculated as the ratio between the average gross monthly income of a public authority (whether an elected official or a senior member of the judiciary) and the per capita household income of the population under their jurisdiction. The higher this ratio, the greater the distance between representatives and the represented.

Access our database

The Disparity Ratio Formula

To ensure methodological rigor and temporal consistency, all calculations were carried out using data from the same base year, preferably 2024, the most recent year with complete information available in official databases. The applied formula is:

$$IDI = \frac{\text{gross monthly remuneration of the authority}}{\text{per capita household income of the represented population}}$$

The authorities considered include:

- The President of the Republic and federal representatives;
- Governors and state and district representatives;
- Mayors and councilors of the 26 state capitals;
- Justices of the Supreme Federal Court (STF) and the Superior Court of Justice (STJ), state and federal judges, and other judicial authorities.

Data Sources

For population income, we used microdata from the Continuous National Household Sample Survey (PNAD Contínua), produced by the Brazilian Institute of Geography and Statistics (IBGE). The reference indicator was **per capita household income**, which is already widely established as the standard measure for socioeconomic comparisons.

For other countries, we relied on their **respective national statistics agencies** (such as INEGI/Mexico, INDEC/Argentina, ABS/Australia, INE/Spain, and Stats NZ/New Zealand).

The remunerations of public authorities were obtained directly from official sources, such as:

- Official Gazettes of the Union, states, and municipalities;
- Transparency Portals of the respective levels of government;
- Reports from the National Council of Justice (CNJ), in the case of the Judiciary;
- Public statements and official documents released by ministries, presidencies, or parliamentary offices.

In cases where data was not up to date or available in a consolidated format, figures published by media outlets based on official documents were used, provided they were properly cited and cross-verified.

Inflation Adjustment

Not all countries had published 2024 data on per capita household income at the time this index was prepared. To ensure temporal consistency and allow for fair comparisons, incomes reported from previous years (especially 2023 or 2022) were adjusted based on the cumulative inflation between the time of data collection and November 2024, according to each country's official data.

This adjustment was carried out using national consumer price indexes (CPI), obtained through the national statistics agencies of each country and supplemented by data from the World Bank.

The applied formula was:

$$\text{Adjusted income} = \text{base income} \times (1 + \text{cumulative inflation})$$

This procedure ensures that all disparity ratios reflect, with the highest possible accuracy, the real situation of the populations in the study's reference year (2024).

Inclusion of Gini Coefficient

To strengthen the comparative analysis, the study also included the Gini coefficient (World Bank data),

which measures income inequality among individuals in each country. Although there is no causal relationship between the Gini coefficient and the Income Disparity Index (IDI), the comparison between the two allows us to observe the extent to which institutional inequality between representatives and the represented accompanies — or exceeds — the country's social inequality.

This comparison seeks to contextualize the IDI in light of market inequality, making it possible to identify countries where the public sector acts as a reducer of inequality or, conversely, as its reproducer or promoter.

International Comparison

The sample of 17 countries was selected based on economic, institutional, and geographic diversity, considering two main factors:

1. The international market classification adopted by institutions such as MSCI (Morgan Stanley Capital International) and S&P Dow Jones Indices; and
2. The availability of reliable public data on public sector wages and population income.

The countries were grouped into two blocks:

Uruguay is not formally part of the indexes, but it was included as an emerging country due to its **compatibility** in institutional and socioeconomic profile.

This composition ensures an international comparison that combines regional and economic diversity with methodological standardization. The international comparison thus functions as an expanded control group.

Analysis Structure

The study is organized into four main sections:

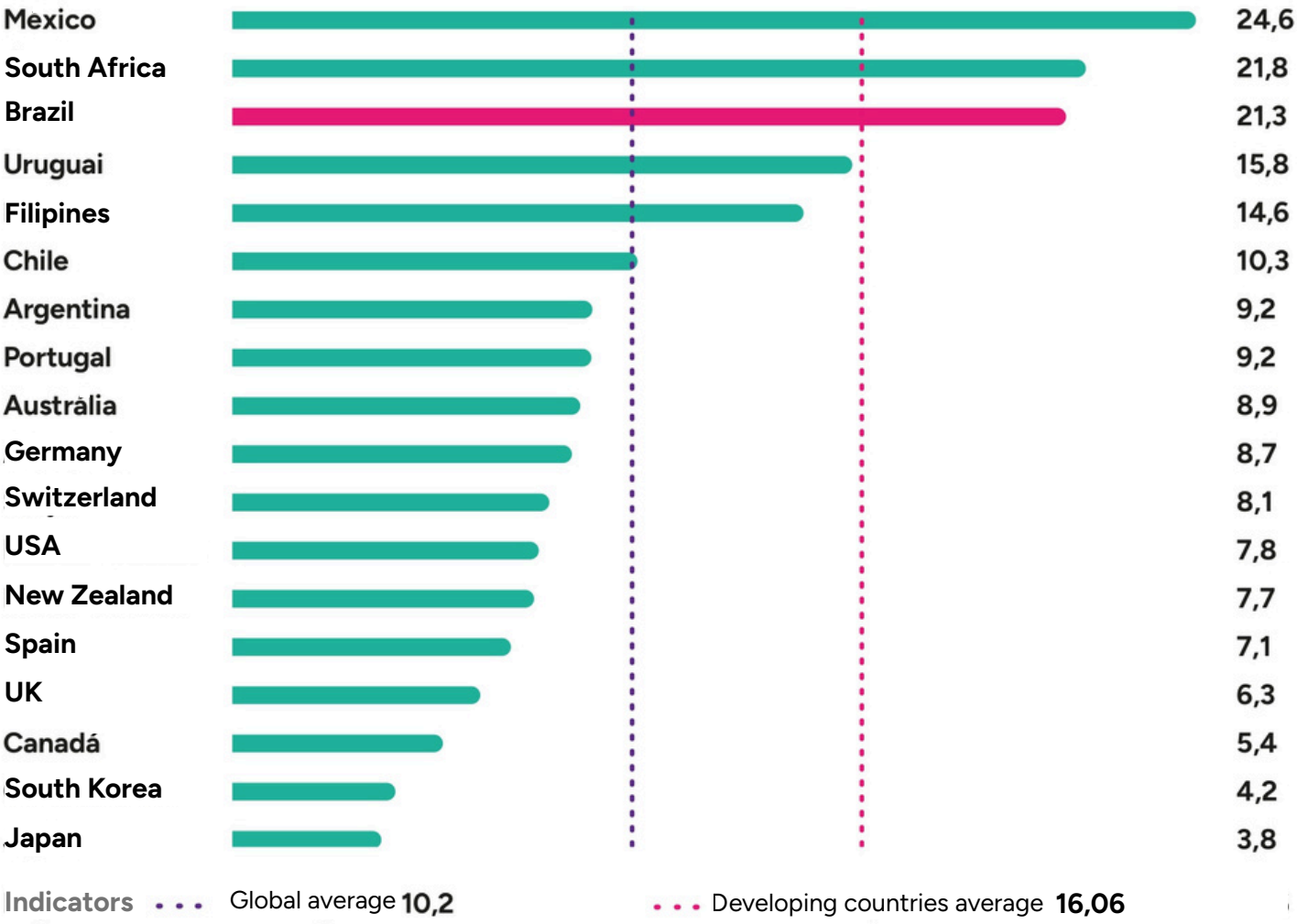
- International comparison: compares the income disparity of Brazilian national authorities with their counterparts in other countries. This stage positions Brazil against international standards.
- State-level disparity ranking: calculates the IDI for governors, state representatives, and federal representatives across all federative units.
- Municipal ranking (state capitals): focuses on the salaries of mayors and councilors in the capitals, compared to the income of the local population.
- Judiciary: analyzes the disparity between the salaries of judges and members of the Public Prosecutor's Office and the average income of the population, both nationally and by state, in addition to an international comparison with the salaries of supreme courts in other countries.

Brazil vs The World

A State Elite Disproportionately **Distant**

The comparison between the Brazilian state elite and national authorities in other countries reveals a scenario of **systemic disparity**, exceeding acceptable limits even when measured against nations with different institutional structures and levels of development.

Unequal even among unequals



How we calculated Brazil's National Executive IDI

R$ **2k**
per capita household income

ratio
21,3

R$ **44k**
salary of the President of Brazil

108% higher than the global average

32% higher than the developing countries' average