

# Brazil Can Boost Growth by Bringing More Women into the Labor Force

By Bunyada Laoprapassorn

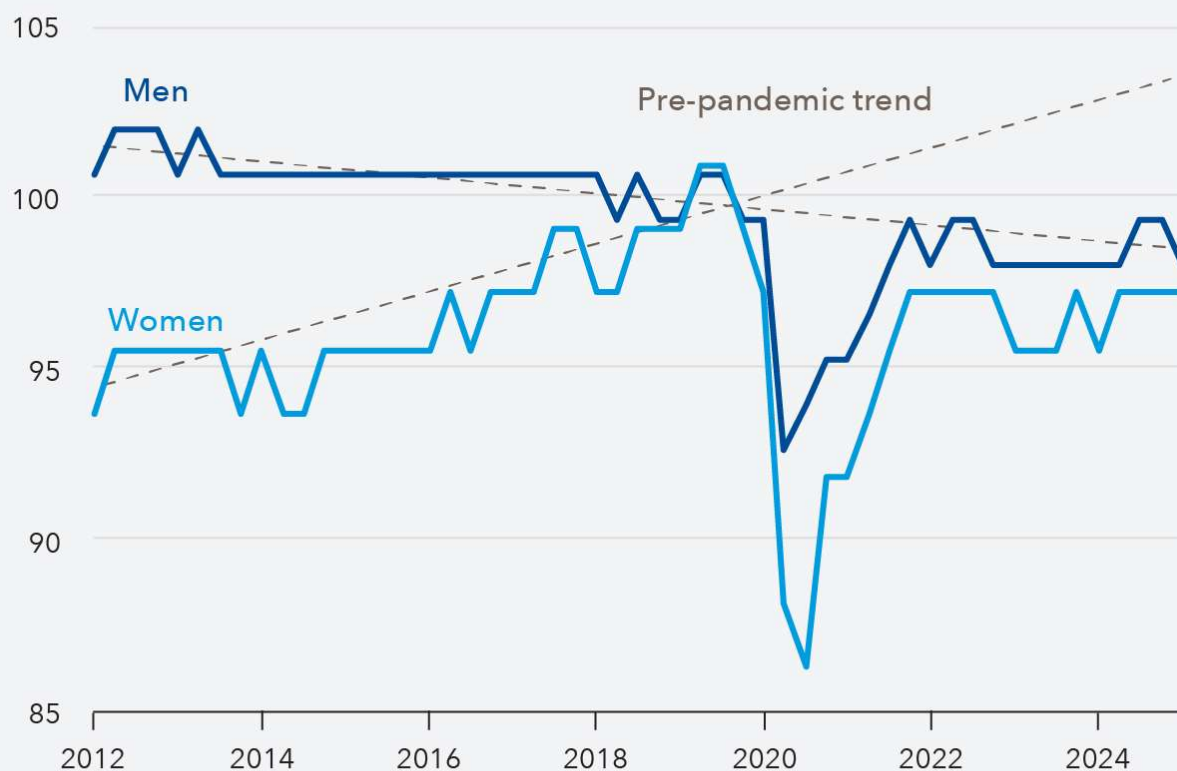
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***Priority reforms include improving childcare, recalibrating social transfers, and closing wage gaps***

When Brazil's unemployment rate dropped to 5.2 percent in November 2025—the lowest in a quarter century—it punctuated an impressive turnaround from the pandemic. Yet, while men's participation in the labor market has returned to its pre-COVID trend, women have fallen behind significantly.

## Brazilian women's participation in the labor force has not recovered since the pandemic

Index, 2019 = 100



Sources: IBGE; IMF staff estimates.

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Getting more people into jobs is especially important because, in Brazil as in many other countries, an aging population is expected to weigh on growth. [Our estimates](https://www.imf.org/en/publications/cr/issues/2025/07/16/brazil-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-568678) (https://www.imf.org/en/publications/cr/issues/2025/07/16/brazil-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-568678) suggest that halving the gap in labor force participation rates between men and women from 20 to 10 percentage points by 2033 could raise Brazil's growth by 0.5 percentage point per year in the process.

### Household responsibilities

The need to look after household and family responsibilities is a major reason why many Brazilian women find it hard to join the labor force—a

trend that our analysis, which is based on Brazil's Continuous Household Sample Survey, investigates further.

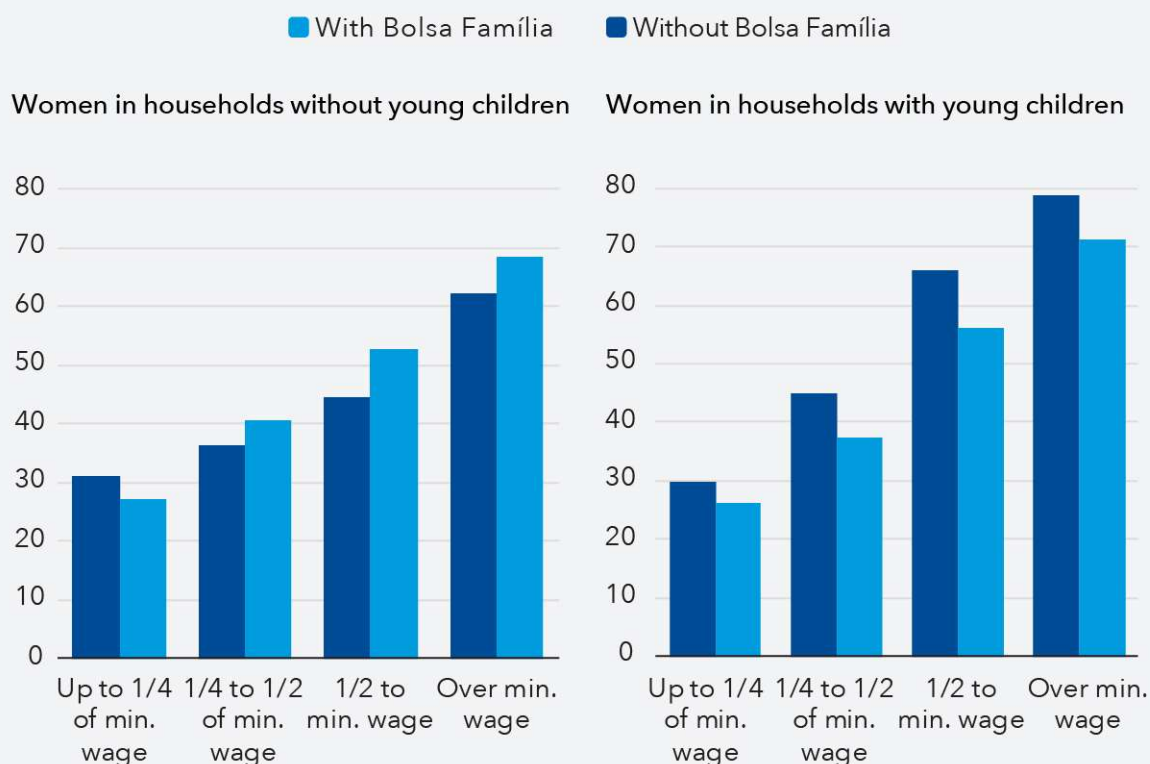
This is especially relevant given the ongoing debate about whether Brazil's flagship conditional cash transfer program, Bolsa Família, is also discouraging women from entering the labor market.

Bolsa Família, which has targeted extreme poverty since 2003, currently provides an average monthly stipend of around US\$130 for families that keep children in school and comply with mandatory vaccinations and other health requirements. It benefits around 50 million people—or about a quarter of the population—and was expanded significantly in 2023.

We look at the data to see if Bolsa Família is indeed curtailing women's labor force participation. We find that, while Bolsa Família does not appear to systemically reduce labor force participation, the transfers are associated with a lower participation for women in households with children 6 years old or younger.

## Bolsa Família has little impact on labor force participation, except women with young children

Rate of participation in labor force by income bracket, percent



Sources: 2023 Continuous National Household Sample Survey; IMF staff estimates.  
 Note: Min. wage = minimum wage.

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However, it is also important to emphasize that a full assessment of how Bolsa Família relates to economic wellbeing would need to encompass considerations well beyond just participation in the labor force.

### Wage disparities

Another factor that could be working against female participation is the pay gap between men and women. We find that, on average, the monthly wage for women tends to be about 22 percent lower relative to men—after controlling for education, age, race, industry, and position. This pay disparity may encourage some women, including

those receiving Bolsa Família benefits, to stay at home and care for their younger children instead of joining the labor market.

## Policy options

As we explain in the [report](https://www.imf.org/en/publications/cr/issues/2025/07/16/brazil-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-568678) (https://www.imf.org/en/publications/cr/issues/2025/07/16/brazil-2025-article-iv-consultation-press-release-staff-report-and-statement-by-the-568678) for our annual economic review (the 2025 Article IV Consultation), several measures can help more women join the labor market and support economic growth in Brazil. These include:

- Expanding access to affordable, accessible, and quality childcare and eldercare services, along with adjustments to the design of parental leave policy
- Adjusting the design of Bolsa Família—such as further tapering the exit from the Bolsa Família benefits upon employment to reduce any possible disincentives from paid work.
- Addressing pay disparities, including through effective implementation of the 2023 landmark Pay Equity Law.

Together, these measures can foster a more supportive environment for women to join the labor market and enhance Brazil's economic potential.

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