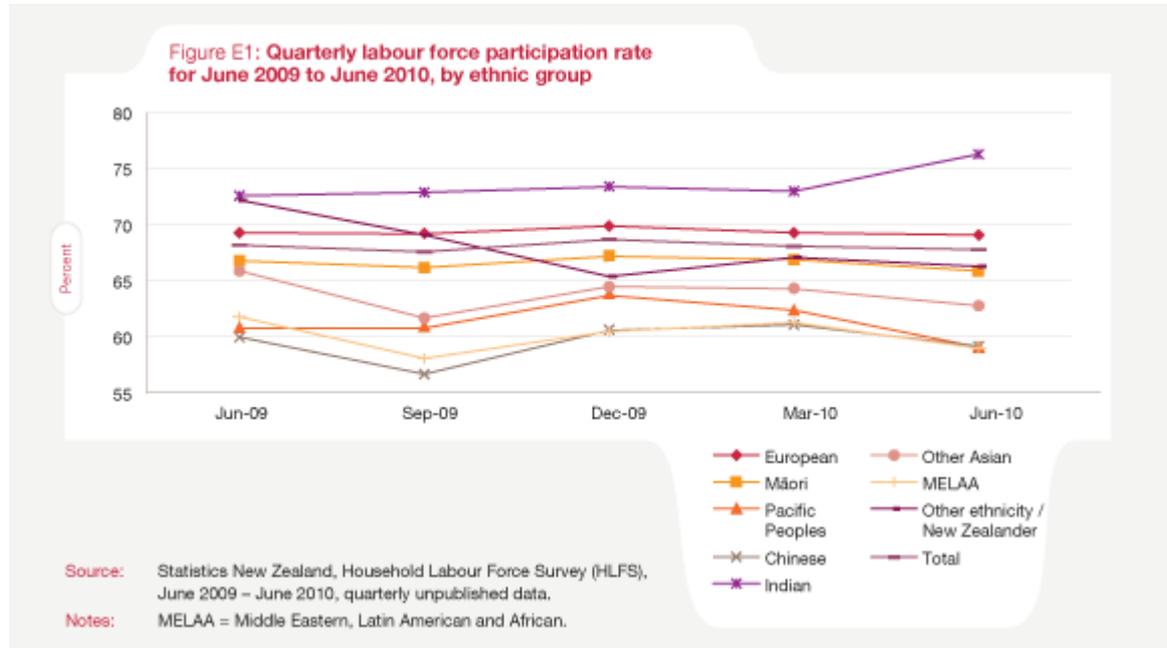


# Economic Wellbeing

This section looks at how people are faring with jobs, income, housing and education.

## Labour Force Participation

Labour force participation rates measure the proportion of the working-age population (aged 15 years or older) that is employed or is unemployed but actively seeking work.



The labour market for the year to June 2010 was affected by the global financial crisis.

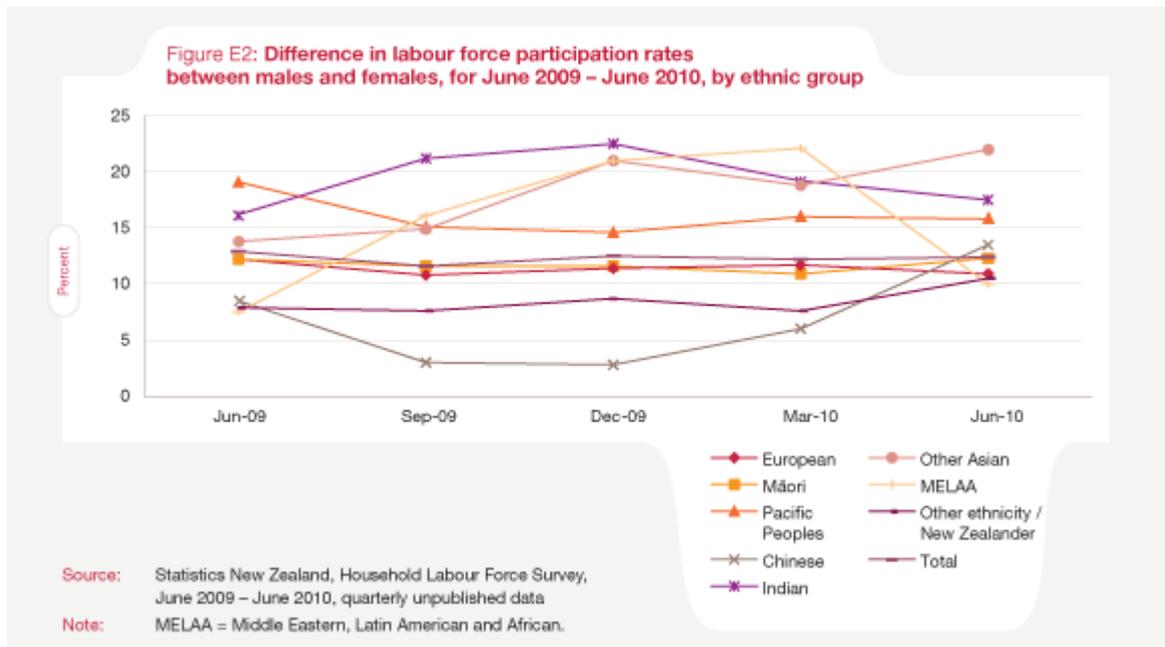
**Figure E1 shows that during this time the labour force participation rate for the total population dropped by 0.4 percentage points.**

Some ethnic groups fared better than others and Indians bucked the general trend. They increased their labour force participation rate by 3.7 percentage points.

They also had the highest labour force participation rate of all ethnicities, ranging from 72.6 to 76.3 percent.

The Chinese, Middle East, Latin American and African (MELAA) groups generally had the lowest rates of all groups, ranging from 56.7 to 61.8 percent.

'Other Asians' and the MELAA group had the second and third largest decrease in labour force participation of all ethnicities: 3.1 percentage points and 2.8 percentage points, respectively.



**Figure E2 shows that there are more men in employment than women. This applies to all ethnic groups but there is some variation between groups.**

Indians and 'Other Asians' have larger differences between the sexes than other ethnicities.

In the year to June 2010 Chinese had the smallest differences between the sexes.

The MELAA group had the most fluctuation in terms of differences between male and female labour force rates.

## Employment

The employment rate is the number of working-age people in paid employment. 'Employed' is defined as working at least one hour a week or having a job, although currently not working because of leave or illness.

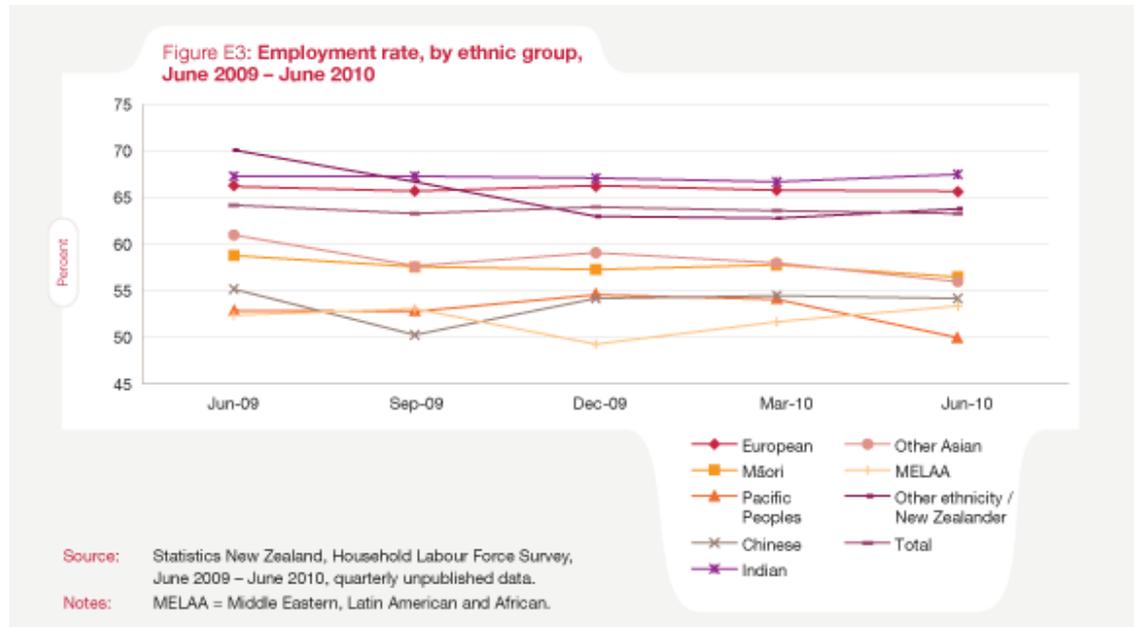
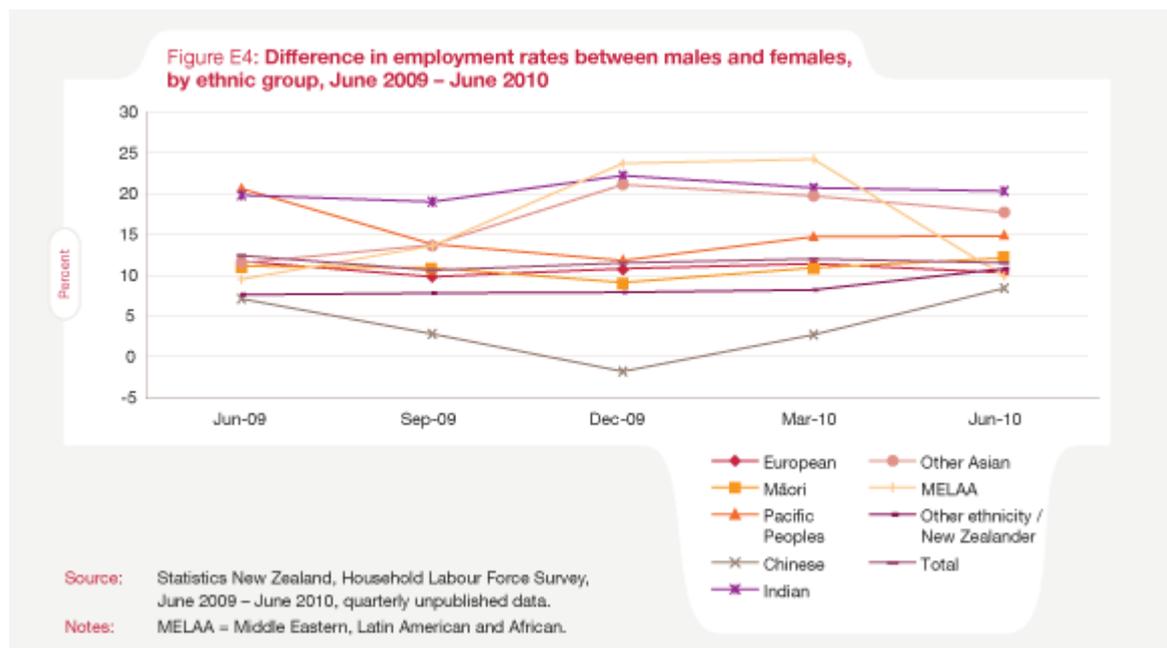


Figure E3 shows that overall, in the 12 month period to June 2010, the employment rate for the total population dropped 0.9 percentage points.

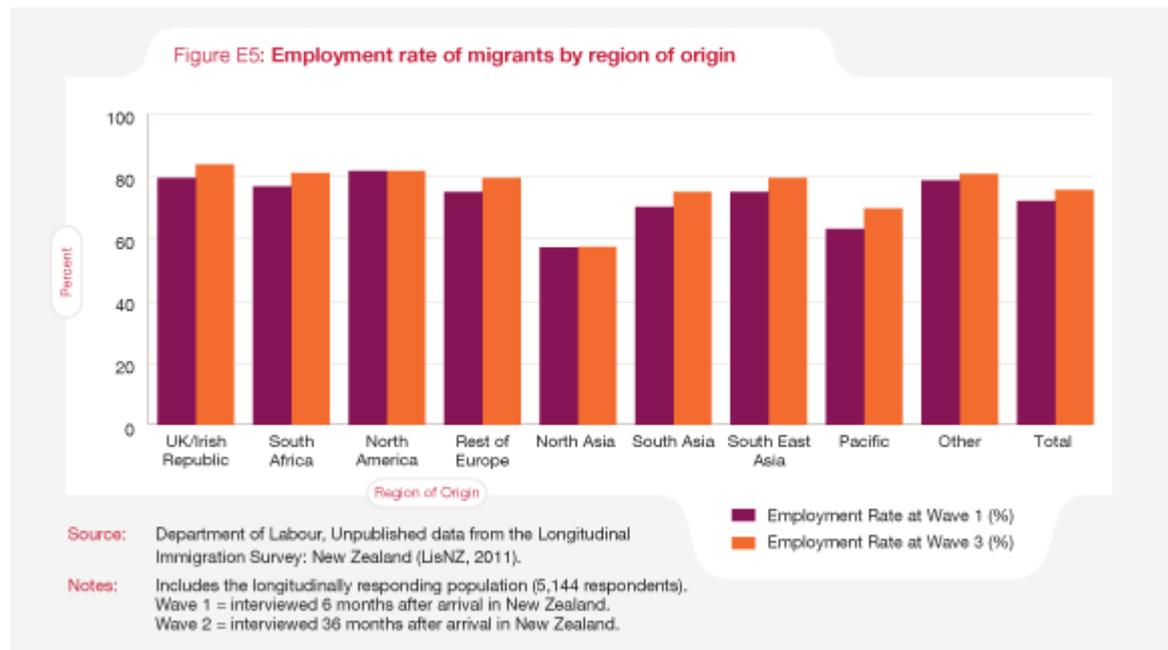
Two ethnic groups bucked this trend: the MELAA group increased by one percentage point, and Indians by 0.2 percentage points.



**Figure E4 shows that in the year to June 2010, generally a greater proportion of men were employed than women. This applies across all ethnicities, with the exception of Chinese, where women had a slightly higher employment rate than Chinese men in the December 2009 quarter.**

Chinese consistently had the smallest difference while Indians had a larger difference (about 20 percentage points) between the number of men and women employed.

The MELAA group had the most variation in employment rates between men and women across the year.



N.B. The reference to Wave 2 in the Notes above should read Wave 3. This error was not discovered until the time of publication. We apologise for any confusion caused by this error.

**Figure E5 is based on information from migrants who have been in the country for six months, with a follow up survey conducted after three years. Wave 1 interviews were held between 1 May 2005 and 30 April 2007. Wave 3 interviews were held between 1 November 2007 and 31 October 2009.**

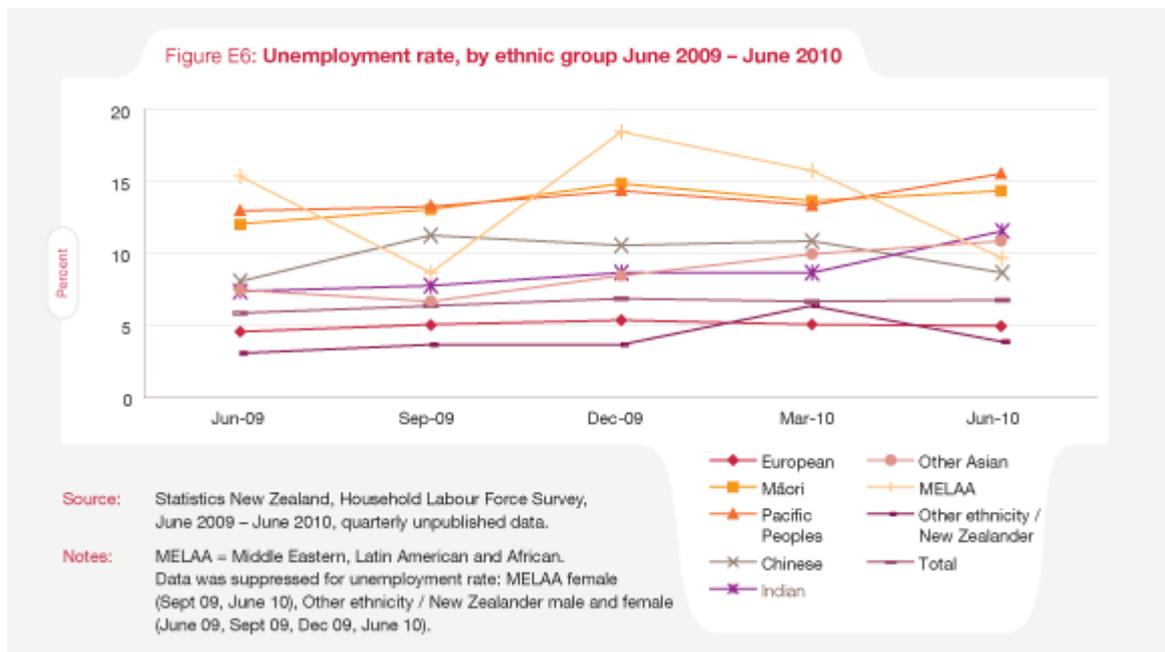
The results show that employment rates for all migrants improved from Wave 1 (six months after arriving in New Zealand) to Wave 3 (36 months after arriving in New Zealand), except for migrants from North Asia and North America which remained static.

The employment rate of most ethnic groups at Wave 1 (six months after arriving in New Zealand) is between 70 to 82 percent.

Migrants from the UK/Irish Republic had the highest rate of employment (83.9 percent) after 36 months of living in New Zealand. Those from North Asia had the lowest rate (57.3 percent).

## Unemployment

The unemployment rate is the number of people not in a job but looking for work, as a proportion of the total labour force.

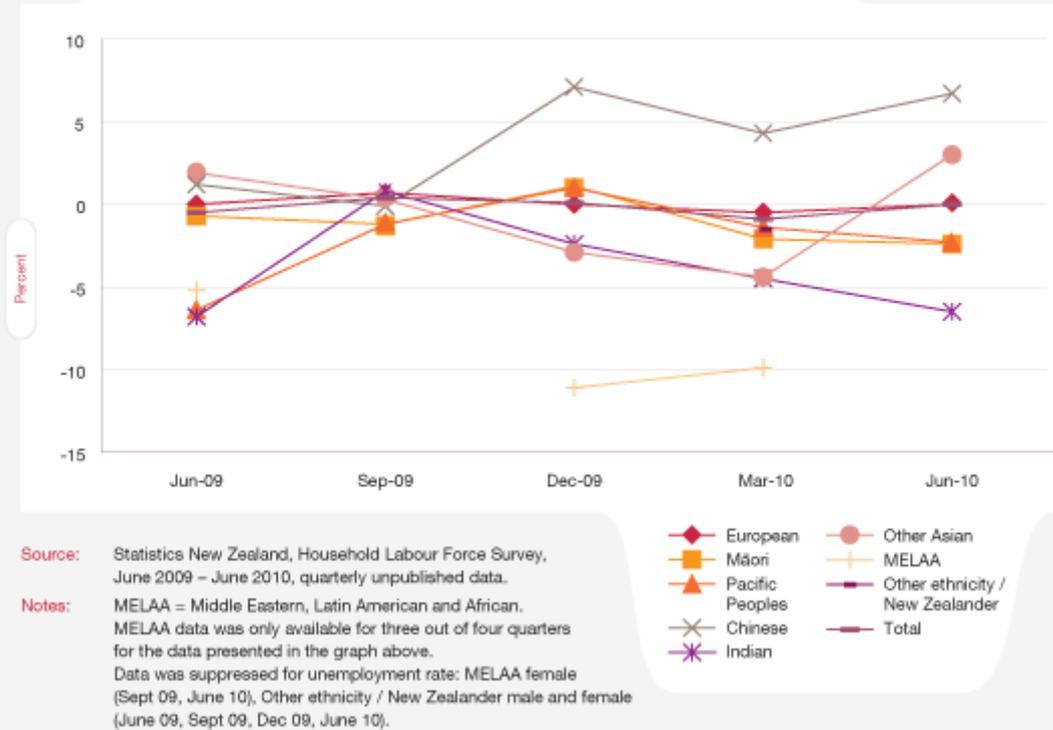


**Figure E6 shows that between June 2009 and June 2010, the unemployment rate for the total population increased by 0.9 percentage points.**

The unemployment rate of most of the ethnic groups fluctuated across the year. The MELAA group had the most variability throughout the year and was the only ethnic group that registered a drop in unemployment, recording a decrease of 5.7 percentage points.

Indians (4.2 percentage points) and Other Asians (3.4 percentage points) had the largest increase in unemployment of all ethnic groups during this period.

**Figure E7: Difference in unemployment rate between males and females, by ethnic group, June 2009 – June 2010**



**Figure E7 shows unemployment rates for men and women in the total population were close to equal (within one percentage point).**

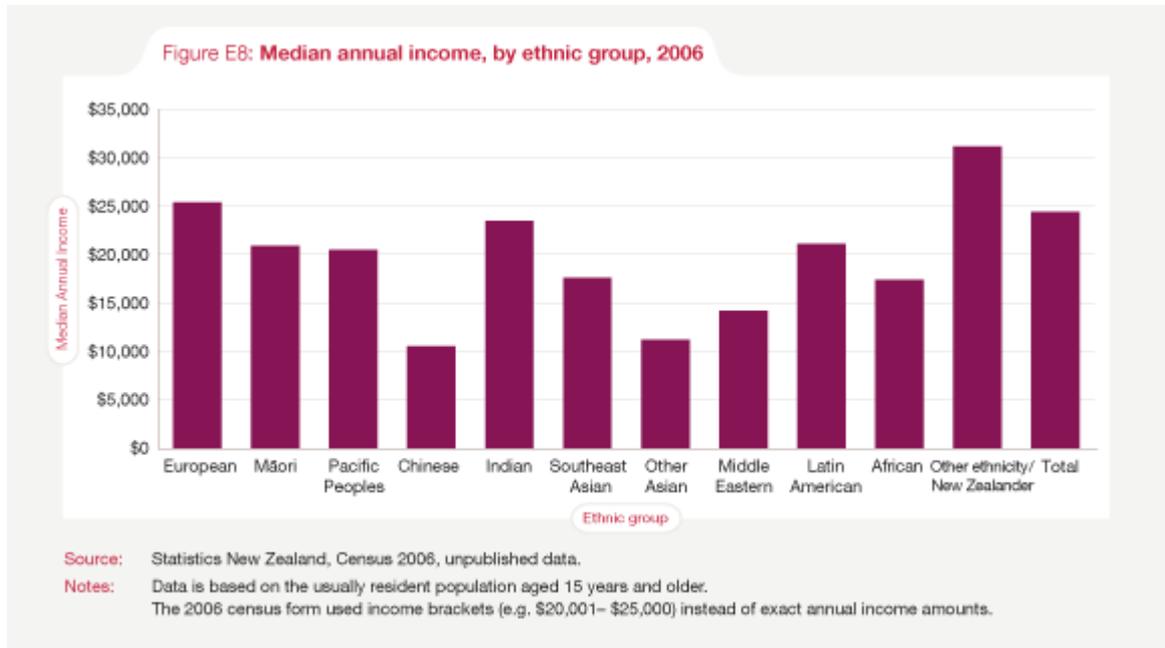
However, MELAA females (up to 11.1 percentage points) and Indian females (up to 6.8 percentage points) had higher unemployment rates than their male counterparts.

Chinese men tended to have higher unemployment rates (up to 7.1 percentage points) than Chinese women.

Other Asian males and females had the most variability in unemployment rates during this period.

## Income

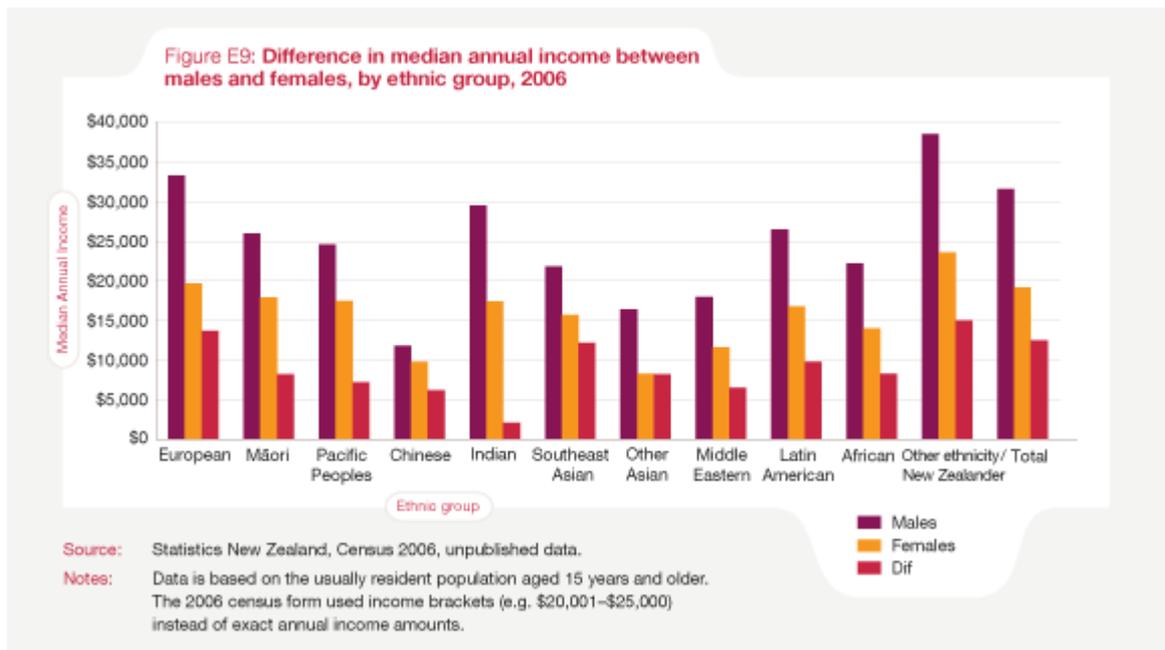
Income is the amount of money received by an individual and may come from a variety of sources. These include wages/salary, self-employment, governmental transfers such as New Zealand superannuation, unemployment and invalid's benefit, regular ACC payments and student allowances.



**Figure E8 measures a person's total purchasing power and allows for employment changes that may occur during the year (e.g. a student who worked part-time while attending university who has now graduated and started a full-time job, or a person who has been promoted).**

The median annual income for the total population in 2006 was \$24,400.

Indians had the third highest median income on \$23,500, after Other ethnicity/New Zealander and European groups. Chinese, on \$10,500, had the lowest amount of all ethnicities.



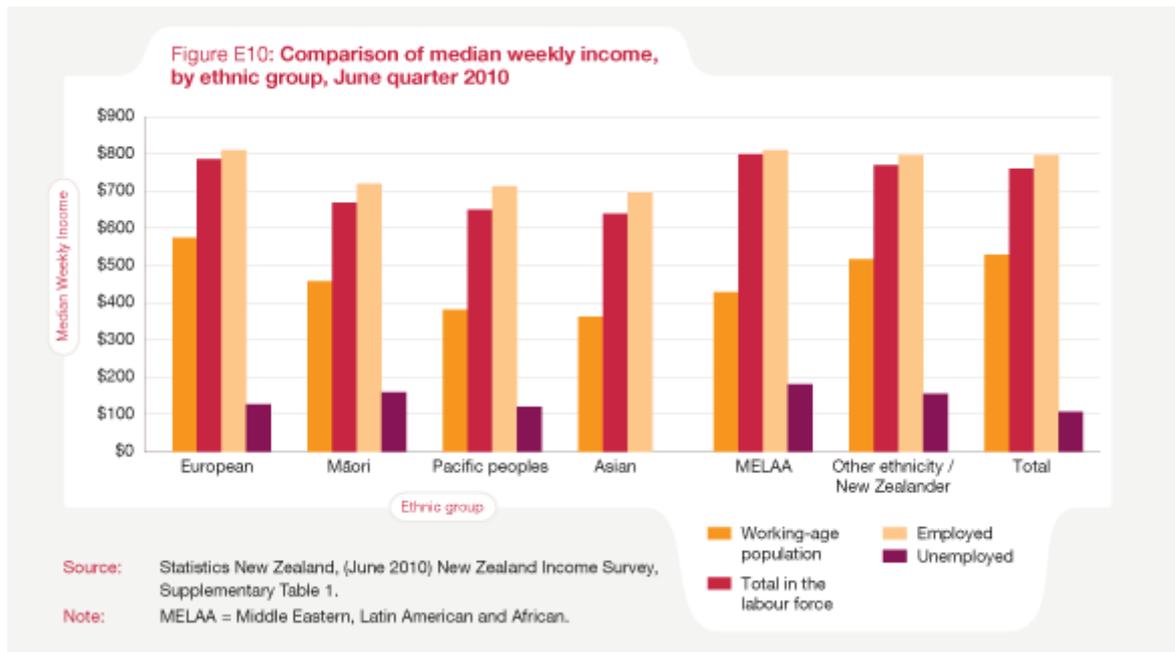
**Figure E9 shows males earned more per year than females across all ethnic groups.**

The median difference between the sexes for the total population is \$12,400 per year.

This compares to:

Indians	\$12,100
Latin Americans	\$ 9,700
Africans	\$ 8,200
Other Asians	\$ 8,100

These ethnic groups were above, or equal to, Māori and Pacific peoples, while Middle Eastern (\$6,400), Southeast Asian (\$6,100) and Chinese (\$2,000) were below.



**Figure E10 compares the median weekly income for the working-age population, total labour force, those employed (these groups can have income from a range of sources) and those unemployed (income from non-paid employment such as government transfers).**

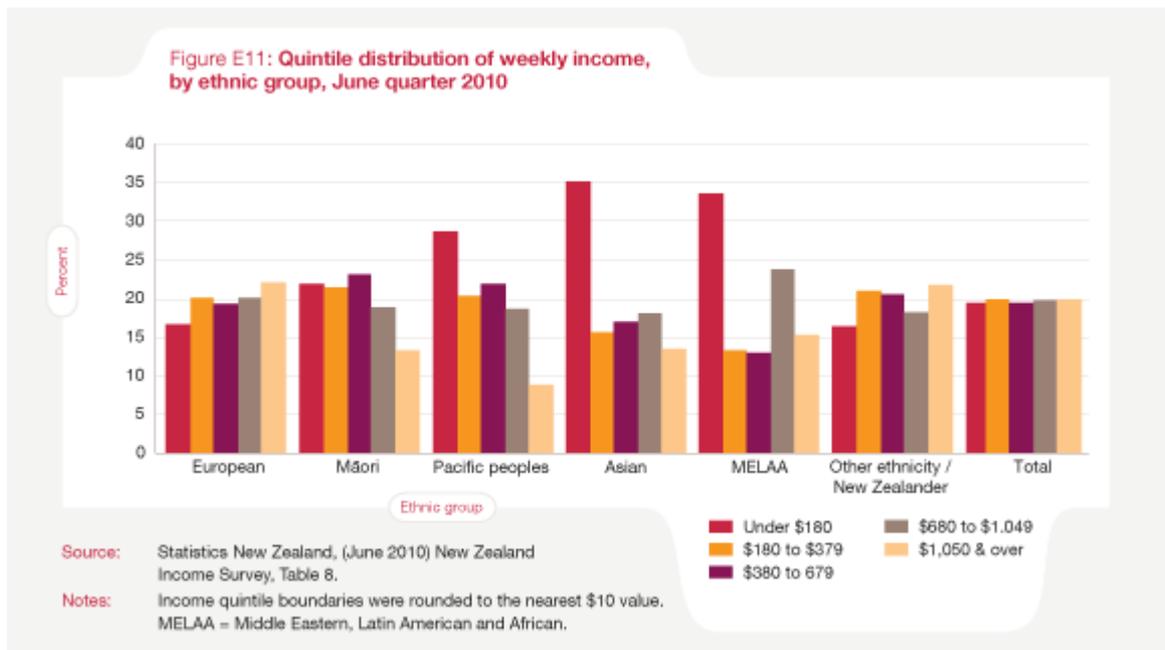
**The working-age population** is a measure of people who are aged 15 and over. It includes those who are employed, those looking for paid employment and those who are not seeking, or can't do, a job because of disability or illness. This group's income comes from a variety of sources including wages/salaries, welfare benefits, superannuation and investment yields.

When comparing working-age populations, Asians had the lowest median weekly income of \$363.

**The labour force** is defined as those who are employed or unemployed, but actively seeking a job. Asians again recorded the lowest median weekly income of \$640. The MELAA group was the highest of all ethnicities on \$800.

For those **employed**, Asians had the lowest median weekly income of \$696. The MELAA group, on \$810, had the second highest of all ethnicities.

For those **unemployed**, the MELAA median weekly income of \$181 (from government transfers, investments, etc.) was the highest of all ethnicities. Asians had the lowest with \$0. Based on how the median is calculated, this means that at least half of unemployed Asians receive no income.



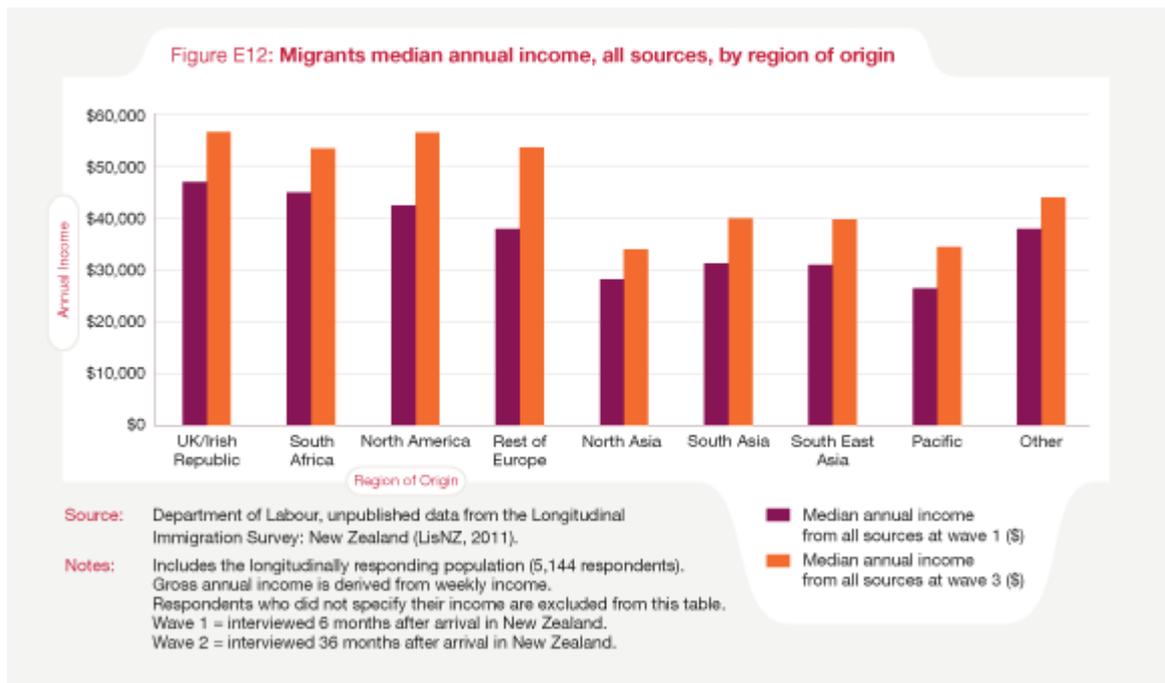
**Figure E11 looks at how weekly income is distributed within ethnic groups. Differences in income distribution are related to several factors, including the proportion of each ethnic group that participates in paid employment, how many hours they work, their wage/salary based on occupation and educational qualification level, as well as how much they receive in non-paid employment income, such as government transfers and investments.**

There were more Asians (35.2 percent) and those in the MELAA group (33.6 percent) who received less than \$180 a week, compared to other ethnic groups.

However, there were fewer Asians and people in the MELAA group who received wages in the next two income quintiles (\$180 to \$379 and \$380 to \$679) compared to all other ethnic groups.

Asians also had the smallest proportion (18 percent) of all ethnic groups in the second highest income bracket: \$680 - \$1,049.

In comparison, the MELAA group had the largest percentage in the second highest income bracket (15.3 percent).



N.B. The reference to Wave 2 in the Notes above should read Wave 3. This error was not discovered until the time of publication. We apologise for any confusion caused by this error.

**Figure E12 is based on information from migrants who have been in the country for six months, with a follow up survey conducted after three years. Wave 1 interviews were held between 1 May 2005 and 30 April 2007. Wave 3 interviews were held between 1 November 2007 and 31 October 2009.**

All migrants increased their median annual incomes during the 30 month period between reports.

The Rest of Europe migrant group had the highest median annual income increase of nearly \$16,000, rising from \$37,900 to \$53,600.

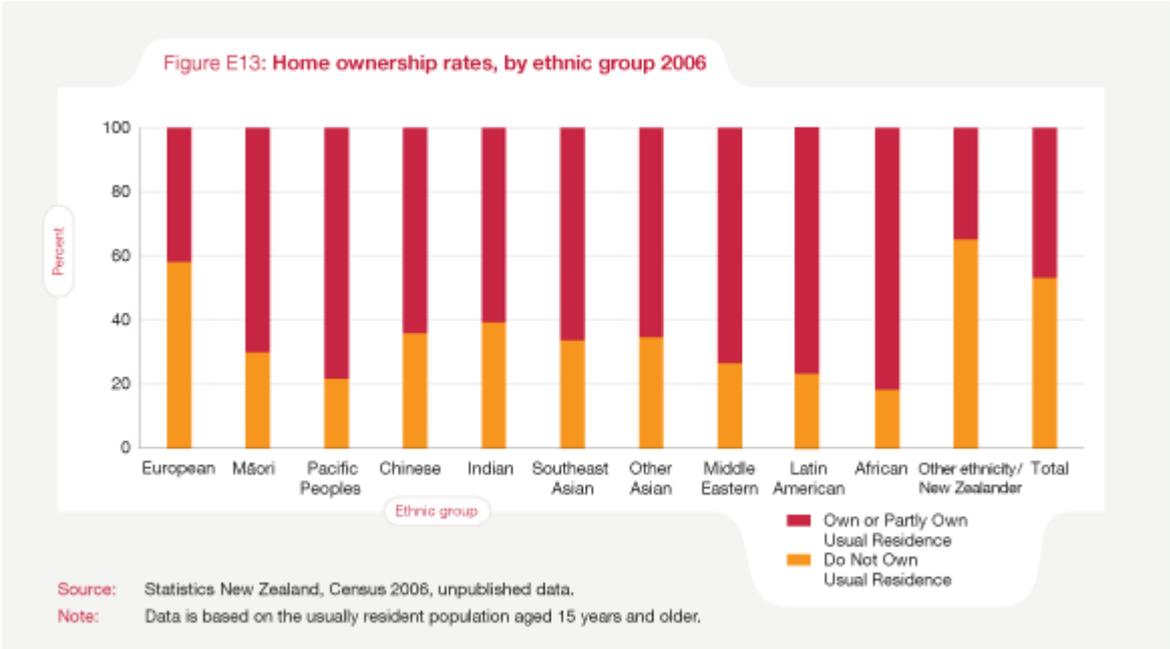
South Asian and South East Asian median annual incomes increased by nearly \$9,000.

North Asian median annual incomes increased by nearly \$6,000.

Three years after arriving in New Zealand, those from North Asia had the lowest median annual incomes at \$33,900.

Those from the UK and the Irish Republic had the highest at \$56,600.

# Housing



**Figure E13 provides information about the proportion of people who own, or jointly own, the property that is their usual residence (also called tenure-holders or owner-occupiers, including those who own their home freehold and those with a mortgage).**

In 2006, Indians were the third most likely ethnic group to own their home (39.5 percent), while Africans were the least likely (18.5 percent).

Around one-third of Chinese (36 percent), Southeast Asians (33.8 percent) and Other Asians (34.8 percent) owned their home.

About a quarter of the people from the Middle East (26.7 percent) and Latin America (23.5 percent) owned their home.

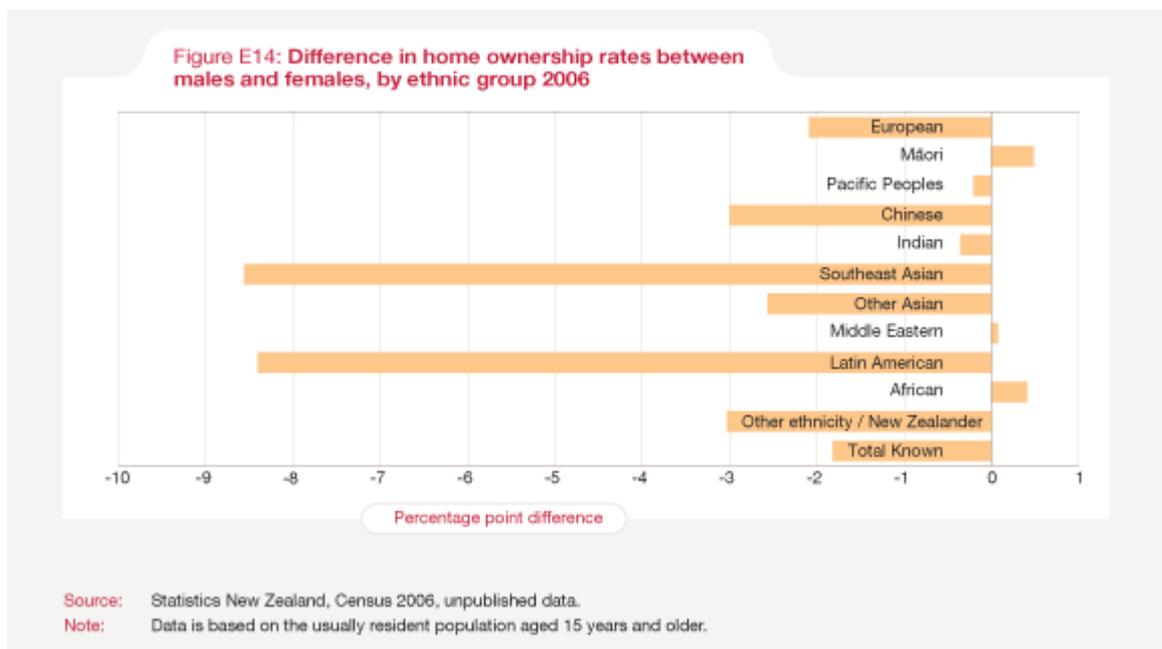


Figure E14 shows a higher proportion of females indicated home ownership than males across most of the ethnic groups, especially for Latin Americans (8.4 percentage points higher for females) and Southeast Asians (8.5 percentage points higher for females).

The African (0.4 percentage points) and Middle Eastern (0.1 percentage points) groups had a slightly higher home ownership rate for males than females.

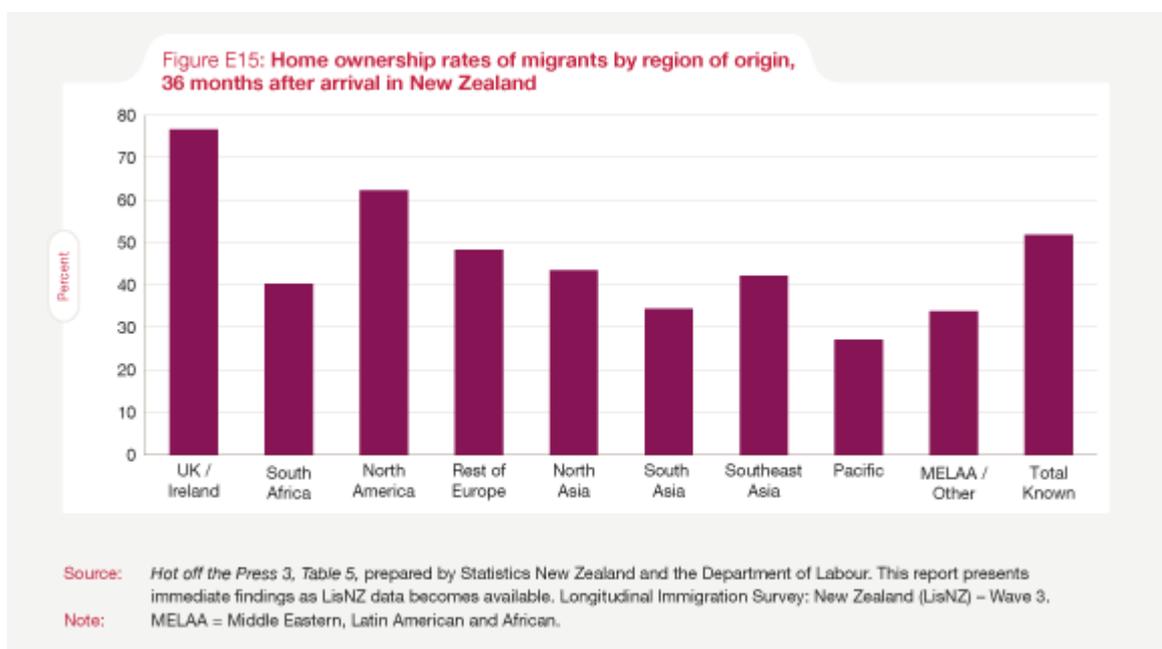


Figure E15 provides information about the proportion of migrants who own, or jointly own, the property that is their usual residence.

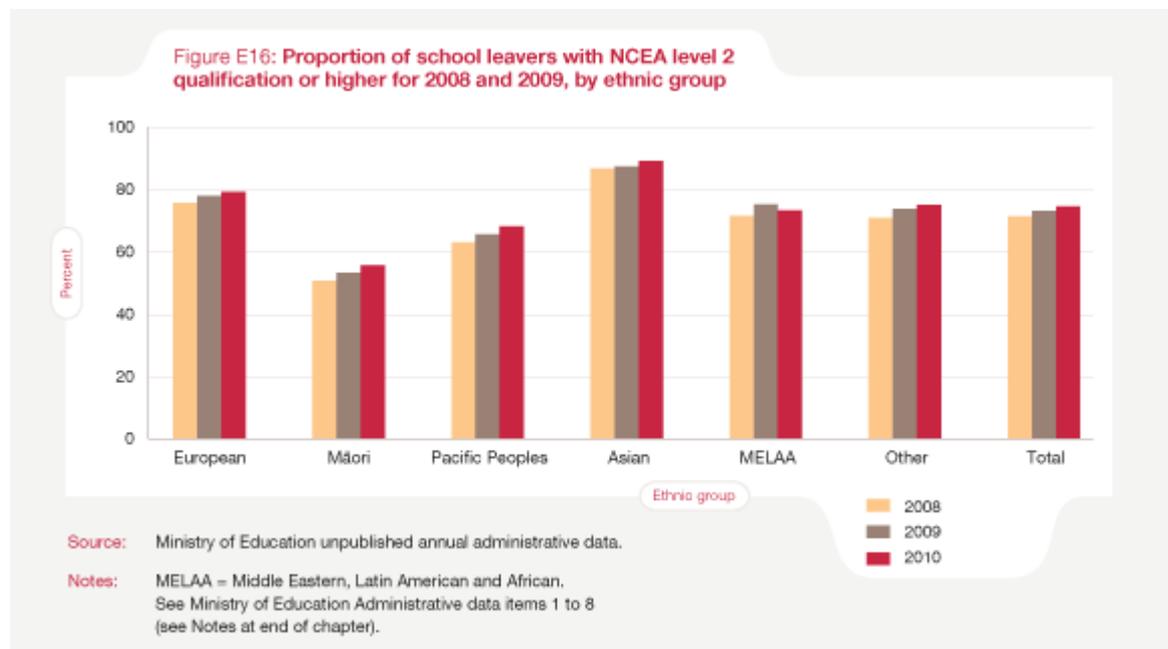
Migrants from North Asia (43.5 percent), Southeast Asia (42.2 percent) and South Africa (40.2 percent) were in the middle range of home ownership rates.

Migrants from the Pacific area (27.1 percent), MELAA/Other regions (33.8 percent) and South Asia (34.4 percent) were the least likely to own their home.

Although only 34.4 percent of South Asian migrants owned their house, they represented a 26.7 percent increase since being interviewed as part of Wave 1 after arrival in New Zealand.

## Education

Education is measured here by qualification attainment at high school and tertiary level. A qualification recognises that a person has demonstrated a level of skill and knowledge by passing an examination or completing other prescribed standards during a period of study, usually through an educational organisation. The main secondary school qualification offered in New Zealand is the National Certificate of Educational Achievement (NCEA). In tertiary education, qualifications range from short certificates through to bachelor degrees, masters and doctorates.



School leavers are students who are no longer attending school. Students in New Zealand schools can leave at any time after their 16<sup>th</sup> birthday. NCEA Level 2 is considered to be the minimum qualification that students need to access a wide range of employment and post-secondary school opportunities.

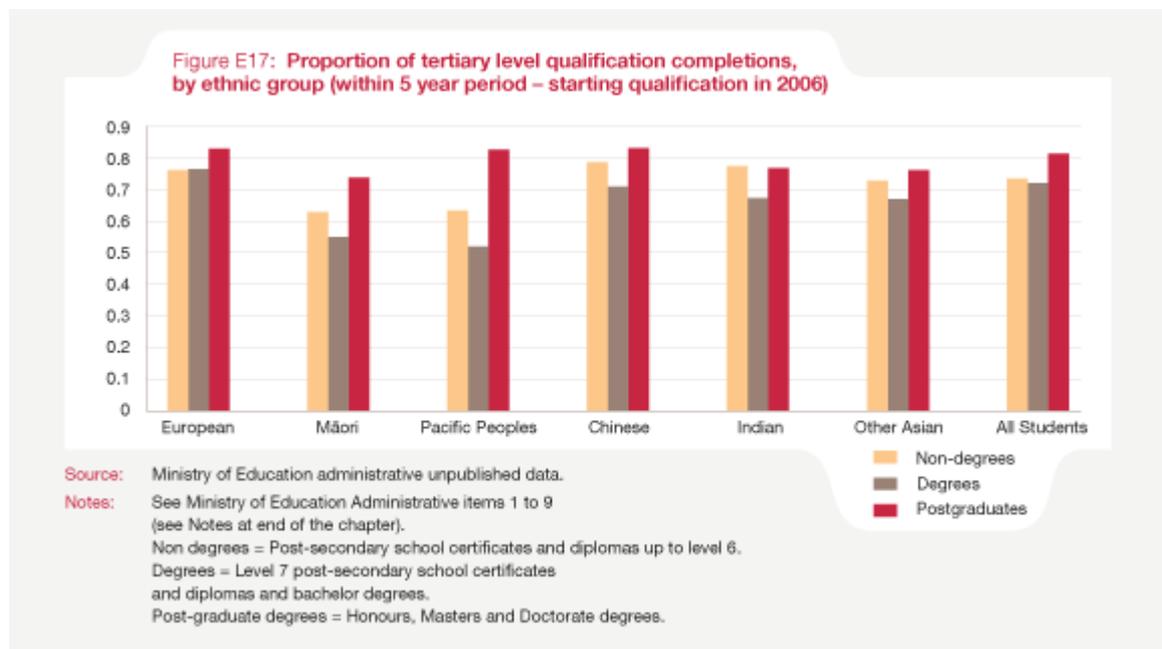
**Figure E16 shows that the proportion of school leavers who completed at least NCEA Level 2 increased for all ethnicities from 2008 to 2009.**

The MELAA group had the largest annual increase of 3.7 percentage points, while Asians had the smallest increase with 1.3 percentage points.

For both years, Asians had the highest proportion of all ethnic groups, and MELAA had the third highest.

In 2010 all ethnic groups except MELAA increased the proportion of school leavers who completed NCEA Level 2 or above. However, the proportion of MELAA school leavers remains high at 73.1 percent.

Asians continue to have the highest proportion with 89 percent, well above the total school leavers with NCEA Level 2 or above at 74.4 percent.



**Figure E17 measures the proportion of students who started a qualification in 2006 who had completed it within five years.**

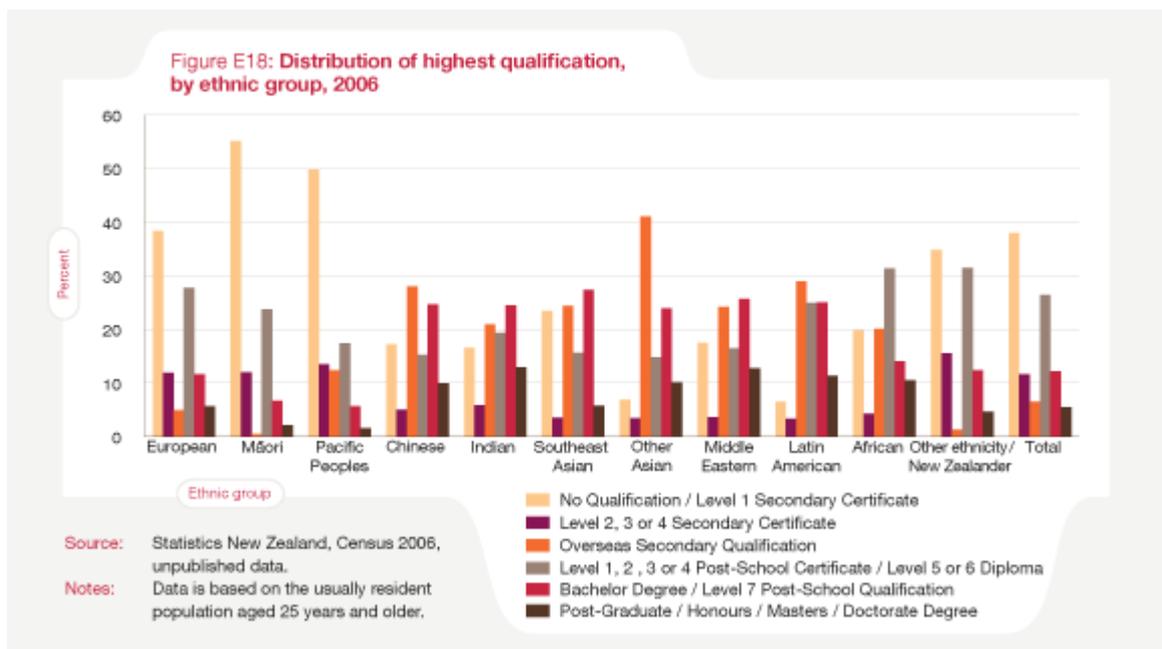
The data shows that across all ethnic groups, more than 50 percent of full-time students in tertiary level study had completed their qualifications (at non-degree, degree and post-graduate degree levels).

The completions percentage for all students is highest at post-graduate level.

At **post-graduate level**, European, Pacific peoples and Chinese students have the highest percentages of completions (all above 80 percent).

At **degree level**, fewer students completed their qualification at non-degree and post-graduate degree levels.

At **non-degree level**, Europeans, Chinese and Indians have the highest percentages of completions (all above 70 percent). Europeans, Chinese and Indians have the highest percentages of completions at degree level.

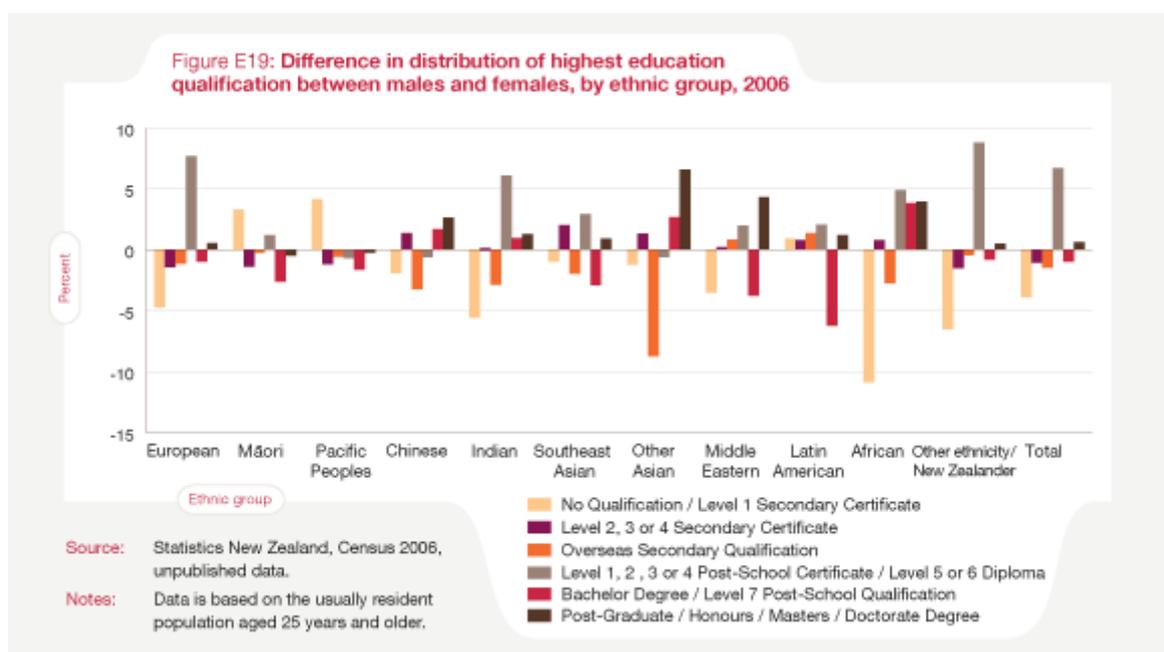


**Figure E18 measures the highest school or tertiary level qualification completed by adults aged 25 years and older.**

All Asian and MELAA ethnic groups (Chinese, Indian, Southeast Asian, Other Asian, Middle Eastern, Latin American and African) were more likely to obtain higher qualifications levels than European, Māori and Pacific peoples and Other ethnicity/New Zealanders.

About one quarter of all Asian and MELAA ethnic groups held a Bachelor's degree (except for Africans at 14 percent) and at least 10 percent had a post-graduate degree (except Southeast Asians at six percent).

The Asian and MELAA ethnicities were also less likely than European, Māori and Pacific peoples and Other ethnicity/New Zealanders to have no secondary qualification.



As Figure E19 shows, a higher proportion of female Asian and MELAA ethnicities had no secondary school qualification, especially African females who had a 10.9 percentage point difference to African males.

An exception was Latin American males who were more likely to have no secondary school qualification.

While Asian and MELAA males were more likely to hold a Level 2, 3 or 4 secondary school certificate from New Zealand, females from Asian and African ethnic groups were more likely to hold an overseas secondary qualification.

African, Other Asian, Chinese and Indian males were more likely to hold a Bachelor degree or Level 7 post-school qualification than females, while Latin American, Middle Eastern and Southeast Asian females were more likely to hold this qualification level than males.

Males of all Asian and MELAA groups were more likely to have completed a postgraduate qualification than females.

In contrast, European, Māori and Pacific males and females are almost equal at this qualification level, with differences being within half a percentage point.

## Economic wellbeing technical notes

### Figures E1 and E2: Labour Force Participation Rates

Actively seeking work: means using any search method above and beyond looking at newspaper advertisements for employment opportunities (i.e. submitting a job application, networking, interviewing, etc).

Labour force: includes those of the working-age population who are classified as employed or unemployed. People not included in the labour force are those who are retired, have other responsibilities such as unpaid housework and childcare, attend educational institutions, are permanently unable to work due to physical or mental disability, are temporarily unavailable for work or are not actively seeking work.

Labour force participation rate: is the number of people in the labour force expressed as a proportion of the working-age population.

$$\begin{aligned} \text{Labour force participation rate} &= \text{labour force} / \text{working-age population} \\ &= (\text{employed} + \text{unemployed}) / \text{working-age population} \end{aligned}$$

Working-age population: is the total usually resident, non-institutionalised, civilian population of New Zealand aged 15 years or over.

### Figures E3, E4, E6, E7: Employment

Actively seeking work: means using any search method above and beyond looking at newspaper advertisements for employment opportunities (i.e. submitting a job application, networking, interviewing, etc).

Employed: is defined as those who, during the previous week, had worked at least one hour for pay or profit, or worked unpaid in a relative's business, or had a job but were unable to work due to illness, other responsibilities, leave or weather.

Employment rate: is the proportion of the working-age population who were employed during the previous week.

$$\text{Employment rate} = \text{employed} / \text{working-age population}$$

Unemployed: are those of the working-age population who either did not have paid work the prior week, were available for work and were actively searching for work in the past four weeks or were scheduled to start a new job within the next four weeks.

Unemployment rate: is the number of unemployed as a proportion of the total labour force.

$$\begin{aligned} \text{Unemployment rate} &= \text{unemployed} / \text{labour force} \\ &= \text{unemployed} / (\text{employed} + \text{unemployed}) \end{aligned}$$

Working-age population: is the total usually resident, non-institutionalised civilian population of New Zealand aged 15 years or over.

N.B please note difference in base used for employed and unemployed.

## **Figures E8, E9, E10, E11: Income**

Income: refers to personal rather than household income and refers to all possible sources unless otherwise specified. It is also based on pre-tax amounts.

Median: refers to the middle value when all values are listed from smallest to largest.

Annual income: is based on the pre-tax amount that a person received from wages/salary, self-employment, government transfers, other transfers, investments and rent during the previous 1 April – 31 March tax year.

Weekly income: refers to the pre-tax amount that a person received from wages/salary, self-employment, government transfers, other transfers, investments and rent during the week prior to completing the survey.

Government transfers: are any pre-tax benefit payments from the New Zealand government (e.g. superannuation, unemployment, student allowance, invalid's benefit, regular ACC payments, etc).

Other transfers: refer to pre-tax payments from sources other than the New Zealand government (e.g. pension payments from a company or another government, support from a family member outside the household, etc).

Wages: refer to the pre-tax payment for work that is paid on an hourly basis.

Salary: is any pre-tax payment for work that is paid according to a set annual income level.

Rent: is pre-tax income that a person receives from rental properties they own.

Self-employment: refers to a person who has their own business and works for themselves.

Quintiles: split a group into five sections of equal size. Calculating the income quintiles used in this report was a multi-step process. After all the weekly incomes for the entire group were ordered from smallest to largest, the list was then evenly split into five sub-groups or quintiles (with 20% of the entire group in each). For June 2010, the weekly income values that corresponded to these quintiles were under \$180, \$180 to \$379, \$380 to \$679, \$680 to \$1,049 and \$1,050 or above. The last step was to look at each individual ethnic group and determine what proportion of that group fell within each income bracket.

## **Figures E13, E14: Housing**

Home ownership rate: is the proportion of the usually resident population aged 15 years or over who own, or partially own (joint ownership), their usual residence within New Zealand. Ownership could refer to people who make mortgage payments or to those who own their home freehold. Other terms include tenure holder or owner-occupier households.

Usually resident: refers to a person who lives within New Zealand the majority of the time.

Usual residence: refers to the dwelling that a person lives in the majority of the time.

Partially own: refers to those who have joint ownership of a property with others.

## **Figures E16, E17: Education**

### **Ministry of Education (2006-2010), Administrative data**

1. Ethnicity is based on total response method. People who reported more than one ethnic group have been counted in each applicable group.

2. MELAA group includes Middle Eastern, Latin American and African ethnicities
3. Data relates to formal learning and qualifications at a tertiary education provider
4. Data excludes private training establishments who did not receive government tuition subsidies
5. Students who completed more than one level within the same year have been counted in each applicable level
6. Data excludes all non-formal learning and on-job industry training
7. Data for 2010 is provisional.
8. Ethnicity data for 2008 is prioritised in the order of Māori, Pacific peoples, Asian, MELAA, other ethnicity, European/Pākehā. Ethnicity data for 2009 and 2010 is multiple response.
9. Data relates only to students undertaking full-time study (part-time student numbers have been excluded).

Secondary School Leavers with NCEA Level 2 or higher: Ethnicity is often selected by the parent or guardian when a student is first enrolled in a new school and this is carried forward each subsequent year the student remains there.

Tertiary Level Completions: Ethnicity is self-selected by the students when they apply for admission to a tertiary institution.

Qualification names have been modified to make them more consistent between data sources and reflect the current qualification system. Qualifications in the current system (NCEA) have been matched as closely as possible with the previous system.

NCEA (National Certificate of Education Achievement) qualification: refers to the highest secondary level qualification a student has completed.

School leaver: refers to a secondary level student who no longer attends school.

No Qualification: means the student withdrew before completing the first year of senior secondary school/college (previously withdrew/dropped out prior to completing Form Five).

NCEA Level 1 through 3: The NCEA is offered at three levels in the New Zealand senior secondary school system. Most students will be assessed for NCEA Level 1 towards the end of Year 11, and have the opportunity to study towards Level 2 or 3 in Years 12 and 13.

Overseas Secondary Qualification: means a qualification a student earned at a secondary school outside New Zealand or an overseas qualification offered through a New Zealand secondary school (e.g. Cambridge Exams or International Baccalaureate).

Post-school Certificate Level 1 through 4: corresponds to programmes a student could complete at a tertiary institution such as a polytechnic, Wānanga, university, etc.

Post-school Diploma Level 5 through 7: corresponds to programmes a student could complete at a tertiary institution such as a polytechnic, Wānanga, university, etc.

Bachelor Degree: means a student completes a degree-programme at a university, polytechnic, Wānanga etc.

Post-graduate: includes Honours, Masters and Doctoral degrees.

Completion: Students are considered to have completed a qualification when they have fulfilled all the academic requirements for that qualification. This means the qualification does not necessarily have to have been conferred.

Highest education qualification: refers to the highest qualification each person completed.

When the analysis of this report was written, data for the 2010 academic year was not yet available from the Ministry of Education. We were able to use total ethnicity response data at the tertiary level for 2007 through 2009, but this format was only available for 2008 and 2009 in the secondary school leavers' data.

Where data has been sourced from different data sets, qualifications have been grouped as similarly as possible for comparison purposes. Discrepancies are noted accordingly.