



Ministry for
**Ethnic
Communities**
Te Tari Mātāwaka

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Ethnic Evidence summary

Increasing the visibility and value of New Zealand's diversity



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In New Zealand, Ethnic Communities include anyone who identifies as: African, Asian, Continental European, Latin American or Middle Eastern. This includes former refugees, asylum seekers, new and temporary migrants, long-term settlers and multi-generational New Zealanders.

Ethnic Evidence report (the report) brings together in one place evidence on how Ethnic Communities are doing in New Zealand. This will help the public sector consider Ethnic Communities for government investment, policy development and service delivery intervention.

The report covers the following areas:

- Work and employment
- Income, consumption and wealth
- Business development
- Health and wellbeing
- Knowledge, education and skills
- Housing
- Diversity and inclusion
- Connectedness and belonging
- Engagement and voice
- Justice and safety

The indicators in this report draw on over 120 measures. They are organised by three outcomes which are based on the Ministry for Ethnic Communities Strategy. The three outcomes are: Ethnic Communities contribution to New Zealand's economy, Ethnic Communities access to high quality public services and New Zealanders valuing diversity and including Ethnic Communities across all spheres of public life.

The report is a result of the Ministry for Ethnic Communities collaboration with a range of public sector agencies.

What are the key insights of Ethnic Evidence?

Outcome 1. Contribution to New Zealand's economy

How are Ethnic Communities doing in terms of work and employment?

Ethnic Communities are highly skilled and have high labour market participation.

Ethnic Communities made up 20% of the labour force as of December 2023. The Ethnic Communities workforce is highly skilled and has high labour market participation.

Between 2018 and 2023, the Asian working-age population increased by nearly one quarter (23%), largely driven by migration from India and Southeast Asia. Southeast Asian migrants are mostly Filipino people.

Employment rates for Ethnic Communities have been steadily increasing since 2018. In 2023, Asian and Middle Eastern, Latin American and African (MELAA) people had the highest employment rates compared to all other ethnic groups, partly due to migration and a younger working age. More MELAA women have joined the workforce contributing to the MELAA rise in employment.

In 2023, the unemployment rate for Ethnic Communities was lower when compared to 2018, despite the economic downturn in 2023.

MELAA people can face employment barriers on a similar scale as Māori and Pacific Peoples. The types of barriers are not necessarily the same (e.g., overseas qualification may not be valued, recognised or understood).

Ethnic Communities do not always receive equal returns for their high education and skill levels; but persistent pay gaps are beginning to narrow.

Ethnic Communities are currently experiencing ethnic and gender pay gaps. The potential gains from closing these gaps are significant, not only for Ethnic Communities but also for the New Zealand economy. If the unexplained pay gap was closed, an additional \$5 billion could have been earned by Ethnic Communities in the year ending June 2022. This underscores the economic potential that lies in achieving pay equality.

Some improvements to ethnic pay gaps have been observed for Asian workers, falling from 11.5% in 2018 to 9% by 2023, i.e., Asian workers were paid 9% less than European workers. The pay gap for Asian women reduced by 2.8 percentage points to 12.1% in 2023.

Research indicates that overseas qualifications for Ethnic Communities may not be valued, recognised or understood by some employers.

While some gains have been made, there is still work to be done to achieve pay equality and a good representation of Ethnic Communities in leadership roles.

Asian workers have consistently reported slightly higher levels of job satisfaction (satisfied or very satisfied) compared to other ethnic groups. Additionally, Asian workers report the highest work-life balance.

How is the material wellbeing of Ethnic Communities – Income, consumption and wealth?

Income and wealth for Asian and MELAA groups are rising, but wealth gaps persist.

The median disposable income for Asian households has increased and is now similar to the income level of European households as

of 2023. MELAA people's income levels have also been rising and are generally similar to the average income across all groups in New Zealand.

Asian households have seen notable growth in wealth, but as of 2021, the net worth of Asian people is only about a third of that of European people. Research shows that wealth differences between ethnic groups in New Zealand are affected not only by ethnicity but also by factors like age, home ownership, how recently someone migrated to New Zealand, whether they were born in New Zealand, education level, gender, and whether they have a partner.

Child poverty rates have decreased for some ethnic groups. However, the percentage of Asian and MELAA children living in households with incomes below 50% of the median (before housing costs) remains higher than for European children. Despite this, Asian households tend to have lower rates of material hardship (difficulty affording essential goods) among children.

For MELAA households, the rate of children in material hardship is similar to that of Māori and Pacific Peoples.

How are Ethnic Communities doing in terms of business development?

Business ownership¹ continues to grow.

Asian and MELAA-owned businesses' represent more than 20% of all businesses in New Zealand and around 13% of all New Zealand businesses that export goods. Despite the COVID-19 pandemic,

1. The results in the Business Development domain are based on a study undertaken specifically for the Report. The data used in the analysis are not official statistics. The data have been created for research purposes for this Report from the Integrated Data Infrastructure (IDI) and Longitudinal Business Database (LBD) which are carefully managed by Stats NZ. For more information about the IDI and LBD, please visit <https://www.stats.govt.nz/integrated-data/>. The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes and is not related to the data's ability to support Inland Revenue's core operational requirements.

Asian and MELAA-owned businesses have continued to grow in number.

Two-thirds of Asian-owned businesses and just over half of MELAA businesses are based in Auckland.

Almost 80% of Asian-owned businesses trade in the Accommodation and Food Services, Construction, Retail Trade and Professional, and Scientific and Technical Services industries.

Over 70% of MELAA-owned businesses trade in the Construction industry, Professional, Scientific and Technical Services category, and Accommodation and Food Services industries.

Strengthening the country's presence in the international market.

Asian-owned exporting contributes to New Zealand's economy through trading in higher value exports, with an average value of goods exported almost double the New Zealand average. Asian-owned businesses tend to have higher export intensity than those owned by other ethnic groups.

Asian and MELAA-owned businesses' profitability is growing.

Asian and MELAA-owned businesses profits are growing. MELAA-owned businesses outperform others in terms of efficiency.

Barriers that limit Ethnic Communities ability to maximise their full business potential are access to investment capital, cultural differences, differences in business practices, lack of connections and difficulty in navigating the New Zealand business landscape. These also limit their ability to leverage their international market knowledge.

Outcome 2. Access to high quality public services

What are the health and wellbeing experiences of Ethnic Communities?

While Ethnic Communities generally report good physical health, some, especially young people, face challenges with mental health.

Asian people tend to report better physical health than other ethnic groups in New Zealand, though their rates of physical activity are lower.

While the levels of Asian people's mental health and wellbeing are similar to the general population, research suggests that the level of mental health is under-reported due to cultural sensitivities and structural barriers. This may prevent some Asian people from seeking mental health support.

MELAA people report lower overall wellbeing and higher levels of distress, affecting both young people and adults. More than a third of MELAA young people have seriously considered attempting suicide.

For Asian and MELAA young people in particular, racial discrimination at school (unfair treatment by teachers based on ethnicity) and low family support were risk factors for self-harm, while high cultural self-esteem was a protective factor. Being female, having a sexual or gender minority status, experiencing material deprivation and being a second or third-generation migrant (rather than first generation) were all associated with higher suicidal and self-harming behaviour.

Problematic substance use (such as daily smoking, hazardous drinking, or illicit drug use) is less common among Asian and MELAA adults than in the general population. However, within Ethnic Communities, Continental European and Latin American adults report higher rates of hazardous drinking.

MELAA people have higher than average unmet needs accessing GPs.

MELAA adults are reporting high unmet need for a general practitioner due to cost. Asian women reported higher unfilled prescriptions due to cost compared to Asian men. This is a similar gender pattern to other ethnic groups.

Ethnic Communities face barriers to accessing healthcare, including costs, language differences, cultural beliefs and practices, and discrimination within the healthcare system.

Are Ethnic Communities able to draw on their education, knowledge and skills?

Ethnic Communities in New Zealand have high-achieving students and highly educated adults.

As of 2024, Asian and MELAA people have the highest percentage of adults aged 25 to 64 with a bachelor's degree or higher. New Zealand's overseas-born population is among the most educated in OECD countries.

Ethnic Communities include some of the country's top-performing students and adults with the highest levels of education.

In 2022, Asian and MELAA secondary students had NCEA Level 2 pass rates close to those of European students. Asian students also outperformed national and OECD averages in reading, numeracy, and science skills.

Asian children's participation in early childhood education is high. However, research indicates that Asian mothers report persistent access issues.

Research shows that many learners from Ethnic Communities were found to have strong cultural identities. However, there are concerns around widespread experience of racist bullying and learners often feeling like they do not belong.

While Ethnic Community students are well-prepared for university, their pathways can sometimes be affected by teacher biases or limited support when choosing subjects or planning career paths.

There are differences within Ethnic Communities as well. For instance, in 2021, university entrance rates varied: 61% for Middle Eastern students, 53% for Latin American students, 53% for African students, 58% for Chinese students, and 76% for Korean students.

What is access to Housing like for Ethnic Communities?

Asian households spend at least half of their disposable income on housing.

In 2018, homeownership rates for Asian and MELAA were lower than average, along with Māori and Pacific Peoples. MELAA people have one of the lowest levels of homeownership.

Asian households are more likely than the general population to spend at least half of their disposable income on housing.

Homeownership is a major factor in wealth differences across ethnic groups, as home values make up an increasingly large part of a person's or household's net worth over their lifetime.

Ethnic Communities face barriers to homeownership.

For some Ethnic Communities, the goal of owning a home is affected by bias and discrimination. Asian people, along with Māori and Pacific Peoples, reported more experiences of unfair treatment in renting or buying a home over their lifetime compared to European people.

While household crowding rates are lower than average for Asian and MELAA households, they are still higher than for European households. Additionally, Asian and MELAA people were disproportionately more likely to experience homelessness in 2018.

Outcome 3. Valuing diversity and inclusion

What are Ethnic Communities' experiences around diversity and inclusion?

Asian people, especially younger individuals, face challenges in expressing their identity.

Asian people report more difficulty than other groups in expressing their identity, and younger people from Ethnic Communities often struggle to be themselves.

There are generally positive views of migrants in New Zealand, with over 60% in 2021 expressing positive feelings towards migrants and refugees. Some New Zealanders feel more comfortable with people who share similar cultural backgrounds and, particularly, speak English. This can make settling in New Zealand more challenging for migrants who may not speak English fluently or come from cultures very different from the mainstream.

There is an information gap regarding the take-up of intercultural capability training in government and the private sector.

Do Ethnic Communities feel fully connected, supported and have a sense of belonging to their community?

Many in Ethnic Communities feel a sense of attachment to their ethnicity, to their neighbourhood and to New Zealand.

Asian people feel a sense of attachment to their ethnicity, to their neighbourhood and to New Zealand.

Sixty percent of Ethnic Communities were affiliated with a religion or faith in 2018. Those with connections to spiritual or religious groups report high levels of connectedness, although attachment has reduced over time. Many volunteer through churches, mosques and synagogues or other places of worship. Places of worship are a source of information for people, for instance, information about employment rights.

Are Ethnic Communities empowered to have a voice in New Zealand society?

Ethnic Communities are underrepresented in decision-making roles.

Ethnic Communities are underrepresented in decision-making roles such as local and national government, and government board appointments. There are also differences in voting patterns for Ethnic Communities. Asian people, and the wider group of migrants reporting lower voter participation.

Despite underrepresentation, Asian people have high levels of trust in government and government institutions.

Asian people rated their life satisfaction as high.

Over four in five Asian people rated their life satisfaction highly. When asked to consider their potential life satisfaction five years from now, one in four Asian people in 2021 gave a ranking of between 7 and 10 out of 10.

About one in three migrants in 2022 thought that New Zealand provided satisfactory support to new migrants. Job satisfaction and work-life balance tends to be as good as other ethnic groups or better.

Ethnic Communities are under-represented in elected positions and on government boards.

Ethnic Communities are gaining representation in elected and nominated positions at national and local levels but are under-represented.

Ethnic Communities experience less crime but face higher levels of prejudice and racism.

Ethnic Communities report lower levels of personal and household crime, such as burglary, theft, and fraud, compared to the national average. However, they experience higher levels of prejudice and

intolerance, facing significant racism and discrimination, alongside Māori and Pacific Peoples. These experiences of discrimination affect their wellbeing and limit their ability to fully participate and succeed in society.

Among Ethnic Communities, Continental European people reported the lowest levels of discrimination.

Feelings of safety for Ethnic Communities have decreased despite experiencing less crime.

Feelings of safety in the community have decreased, most notably among Chinese people.

Some Ethnic Communities are slightly less likely than average to feel “completely safe” with their families. In 2020, Indian, MELAA and Continental European people felt less safe with family compared to the average.

Rates of lifetime sexual violence differ within Ethnic Communities. MELAA people report rates of sexual assault similar to the national average, while Asian people report lower rates.

Research shows that women in ethnic and migrant communities who experience violence face additional risk factors, such as racism, cultural expectations, job insecurity, language barriers, and social isolation. These challenges also impact their ability to seek help or report abuse.

