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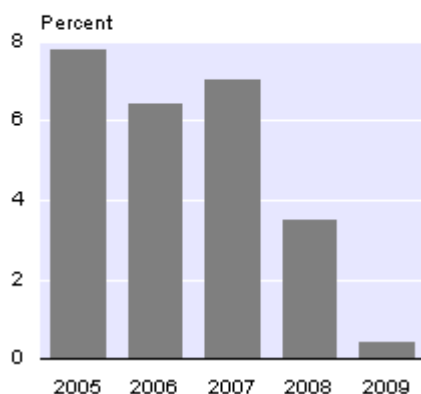
## New Zealand Income Survey: June 2009 quarter

### Highlights

Median weekly income from all sources for the June 2009 quarter: Between the June 2008 and 2009 quarters:

- was \$538, compared with \$536 in the June 2008 quarter
- decreased most for those aged 15 to 19 years, down \$40 from the June 2008 quarter
- for those aged 65+, was up 9.1 percent from the June 2008 quarter.
- the number of people receiving income from government transfers rose 33,700 (3.2 percent), while those earning income from self-employment fell 34,100 (8.9 percent)
- median weekly income for those receiving income from investments fell \$5 to \$14
- median hourly earnings increased \$0.77.

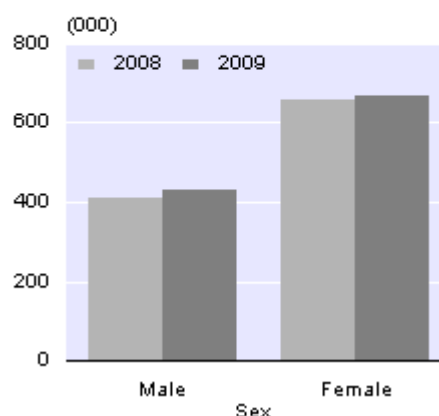
**Change in Median Weekly Income from All Sources**  
*June quarter compared with previous June quarter, 2005–09*



**People Receiving Income from Government Transfers**

*By sex*

*June quarter, 2008 and 2009*



Geoff Bascand  
Government Statistician

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## **Commentary**

### **Introduction to the New Zealand Income Survey**

The information in this release comes from the annual New Zealand Income Survey (NZIS), which is run during the June quarter (April to June) as a supplement to the Household Labour Force Survey (HLFS). The NZIS provides a snapshot of income statistics about people and households.

When information about income is interpreted, all the factors that can impact on income should be considered. Factors such as sex, age, industry, occupation, qualifications obtained, labour force status, part-time and full-time status, where people live, and ethnicity are all associated with the income people and households receive.

Median refers to the point where half the people receive more and half receive less than the stated amount. Since the 2008 release, a greater emphasis has been put on medians because extreme high or low amounts tend to have less influence on median amounts than they do on average (mean) figures.

Income averaged across all people from all sources includes those who have zero income for some income sources. Income averaged across those receiving income from a particular source only includes those who received income from that source.

All the figures in this release refer to gross (before tax) income. All figures from years up to and including 2008 have been rebased (the sample weights have been revised to account for population changes), and will not match previously released figures (see technical notes for more information). People aged under 15 years are excluded from the NZIS.

### **Overview of the survey results**

NZIS results for the June 2009 quarter showed that income was relatively unchanged since the June 2008 quarter. Median weekly income for all people from all sources was \$538, compared with \$536 in the June 2008 quarter. However, there were significant changes for some age groups. Those aged 15 to 19 years had the greatest decrease in median weekly income from all sources (down \$40), while those aged 25 to 29 years had the greatest dollar increase (up \$39), and those aged 65+ had the greatest percentage increase (up 9.1 percent).

Since the June 2008 quarter, the number of people receiving income from government transfers has increased significantly, while the number of people receiving income from self-employment income has decreased significantly. Males, people aged 65+, and those in the Pacific ethnic group had significant increases in the number of people receiving income from government transfers. Both males and females, people aged 40 to 44 years, and those in the European ethnic group had significant decreases in the number of people receiving income from self-employment.

Median hourly earnings from wages and salaries have increased \$0.77 since the June 2008 quarter. Female median hourly earnings increased by \$0.78, to \$18.22, while there was no significant change for males.

## **All people, all sources income**

Median weekly income for all people from all sources (including those with no source of income) for the June 2009 quarter was \$538. This was relatively unchanged from the June 2008 quarter, when it was \$536. There was also no significant annual change in the median weekly income from all sources for both females and males. In the June 2009 quarter the median weekly income from all sources for females was \$430, and for males it was \$681.

Those aged 40 to 44 years and 45 to 49 years received the highest median weekly income (\$767). Those aged 15 to 19 years had the largest decrease, down \$40 from the June 2008 quarter. The greatest increase in median weekly income for all people from all sources was for those aged 25 to 29 years (up \$39 to \$680). Those aged 40 to 44 years, and those aged 65+ also had similar increases, up \$36 and \$29, respectively.

In the June 2009 quarter, the average (mean) weekly income for all people from all sources was \$680, which was relatively unchanged from the June 2008 quarter (\$682).

## **Sources of income**

Wage and salary income makes up approximately two-thirds of total income received by the working-age population of New Zealand (15 years and over). In the June 2009 quarter, 54.1 percent of people received wage and salary income, relatively unchanged from the June 2008 quarter. The percentage of people receiving self-employment income decreased from 11.5 percent in the June 2008 quarter to 10.4 percent in the June 2009 quarter. Conversely, the percentage of people receiving income from government transfers increased, from 32.0 percent to 32.6 percent.

For the remaining income source types, 33.5 percent of people received income from investments, and 2.1 percent received income from other transfers in the June 2009 quarter. Because it is possible for a person to receive more than one source of income, these percentages may sum to more than 100 percent.

## Proportion of All People Receiving Income

*By source*

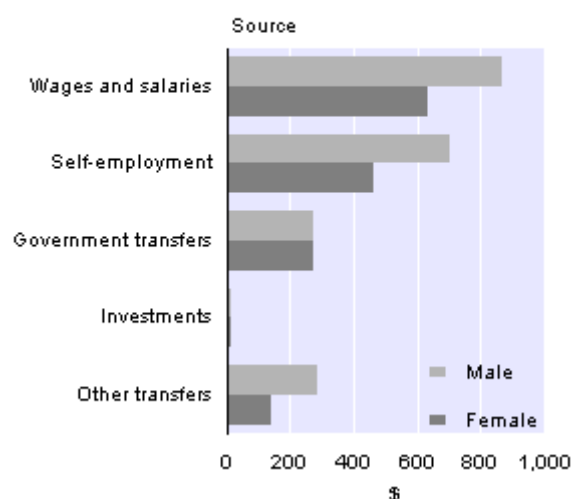
June quarter, 2007–09



## Median Weekly Income

*By source of income and sex*

June quarter 2009



## Wage and salary income

Since the June 2008 quarter, for people receiving income from wages and salaries, the median weekly wage and salary income increased by 4.3 percent, up to \$760 in the June 2009 quarter. Over the same period, median weekly wage and salary income for females increased by 5.0 percent, to \$630, while for males it was relatively unchanged, at \$866.

The average (mean) weekly wage and salary income for people receiving income from this source was \$843, which was not a significant change from the June 2008 quarter. Average weekly wage and salary income increased for females, up 3.3 percent from the June 2008 quarter (to \$688), while there was no significant change for males (at \$992).

Significant increases in median weekly wage and salary income since the June 2008 quarter were recorded for the following age groups: 25 to 29 years (up \$38 to \$767) and those aged 40 to 44 years (up \$62 to \$860). The Māori and Pacific ethnic groups recorded rises of \$20 (to \$686) and \$47 (to \$670), respectively.

Overall, there was no significant change in the number of people receiving income from wages and salaries; however, there were significant movements in some age groups. The number of people receiving income from wages and salaries decreased by 15.0 percent for those aged 15 to 19 years. In contrast, those aged 60 to 64 years, and those aged 65+ had increases of 17.7 percent and 24.2 percent, respectively. This is largely consistent with the movements seen in the HLFS, (June 2009 quarter) for the number of employed in these age groups.

Since the June 2008, quarter the increase in median weekly wage and salary income for those in full-time employment was 3.1 percent, up to \$870. This increase was significant for both males (up 3.1 percent to \$949) and females (up 4.3 percent to \$800). The following age groups also experienced significant increases for income from full-time employment: 15 to 19 years ; 25 to 29 years; 35 to 39 years; 40 to 44 years. The Māori

and Asian ethnic groups also had significant increases in weekly wage and salary income from full-time employment.

Overall, the number of people in full-time employment in the June 2009 quarter did not change significantly from the June 2008 quarter. However, those aged 15 to 19 years in full-time employment decreased by 24.2 percent, while those aged 60 to 64 years increased by 13.3 percent. Full-time employment is defined as working 30 hours or more per week, while part-time is working fewer than 30 hours per week.

There was no significant change in the number of people in part-time employment from the June 2008 quarter; however, there were significant increases in the number of people in part-time work for those aged 50 to 54 years, 60 to 64 years, and 65+.

There was an annual increase in median weekly income from part-time employment. Overall this increase was 6.8 percent (to \$250 in the June 2009 quarter), while for females the increase was 9.8 percent (to \$280), and males were relatively unchanged at \$217. For those aged 65+, there was a significant increase in median weekly income from part-time employment; likewise for the European ethnic group.

## Hourly earnings

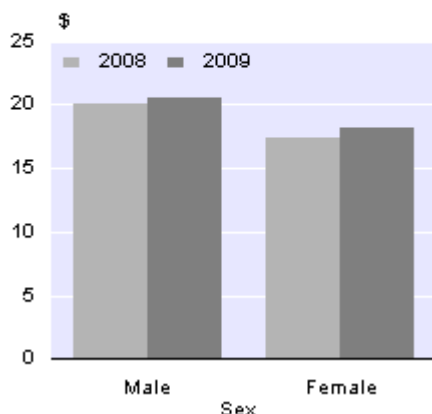
Hours worked and hourly earnings are two key factors that influence wages and salaries. Since the June 2008 quarter, there has been no significant change in the number of people receiving income from wages and salaries. Total hours worked was unchanged, while total income received from wages and salaries increased (2.9 percent), compared with the June 2008 quarter.

From the June 2008 to the June 2009 quarter, median hourly earnings rose \$0.77, to \$19.47, a similar increase to that reported in the year to the June 2008 quarter. Median hourly earnings for females increased by \$0.78 to \$18.22, while there was no significant change for males, at \$20.53 in the June 2009 quarter.

### Median Hourly Earnings for Wage and Salary Earners

*By sex*

June quarter, 2008 and 2009



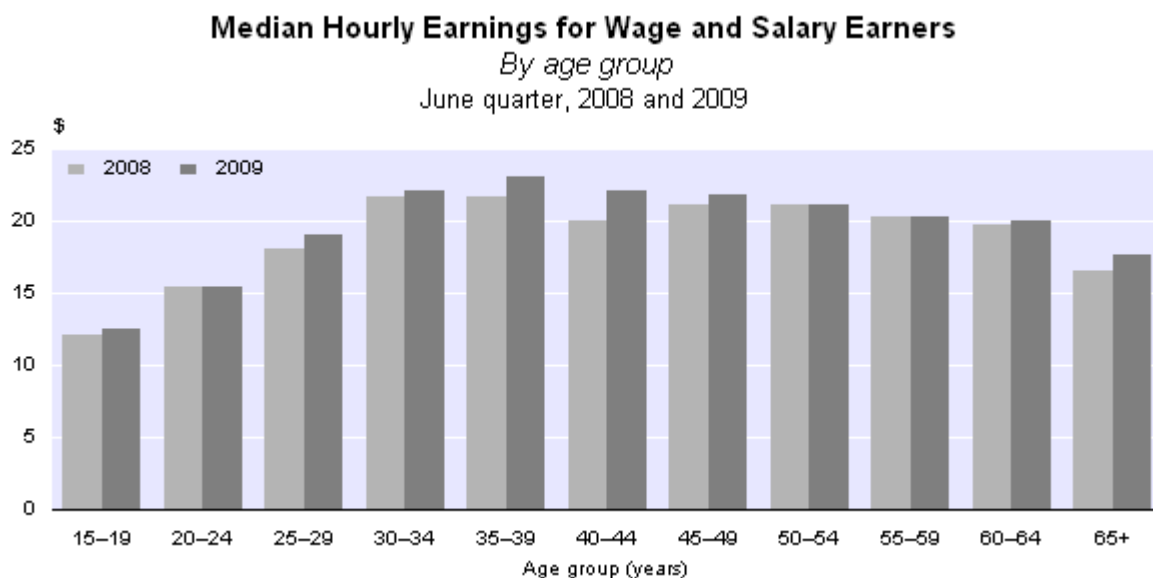
Comparing female earnings with male earnings, the ratio of median hourly earnings in the June 2009 quarter was 88.7 percent, an increase from the June 2008 quarter ratio of 87.2 percent. Note that this ratio does not take into account factors (such as age, occupation, industry, and qualifications gained) that can influence male and female earnings regardless of changes in levels of income.

Most occupation groups experienced increases in median hourly earnings for people receiving income from wages and salaries. Seven of the nine major occupation groups had significant increases in median hourly earnings: technicians and associate professionals had the highest percentage increase (7.1 percent), followed by professionals (6.2 percent), and clerks (5.8 percent).

However, there were only three industry divisions that had significant increases in median hourly earnings for people receiving income from wages and salaries. The highest percentage increase was in the construction industry (5.3 percent), followed by manufacturing (4.8 percent), and the combined transport and storage, and communication services division (3.8 percent).

Those in the Pacific ethnic group had the highest increase in median hourly earnings from wages and salaries since the June 2008 quarter, increasing by \$1.10 to \$16.50. Hourly earnings for the Māori ethnic group increased by \$1.00, to \$17.50; for those in the European ethnic group the increase was \$0.82, to \$20.00.

Three age groups had significant increases in median hourly earnings from wages and salaries; those aged 15 to 19 years (up \$0.50 to \$12.50 per hour), aged 25 to 29 years (up \$1.00 to \$19.00 per hour), and aged 40 to 44 years (up \$2.00 to \$22.00 per hour).



## Self-employment

The number of people receiving self-employment income fell in the June 2009 quarter compared with the June 2008 quarter, down 34,100 (8.9 percent). The number of males receiving income from self-employment decreased by 21,700 (8.6 percent) while the

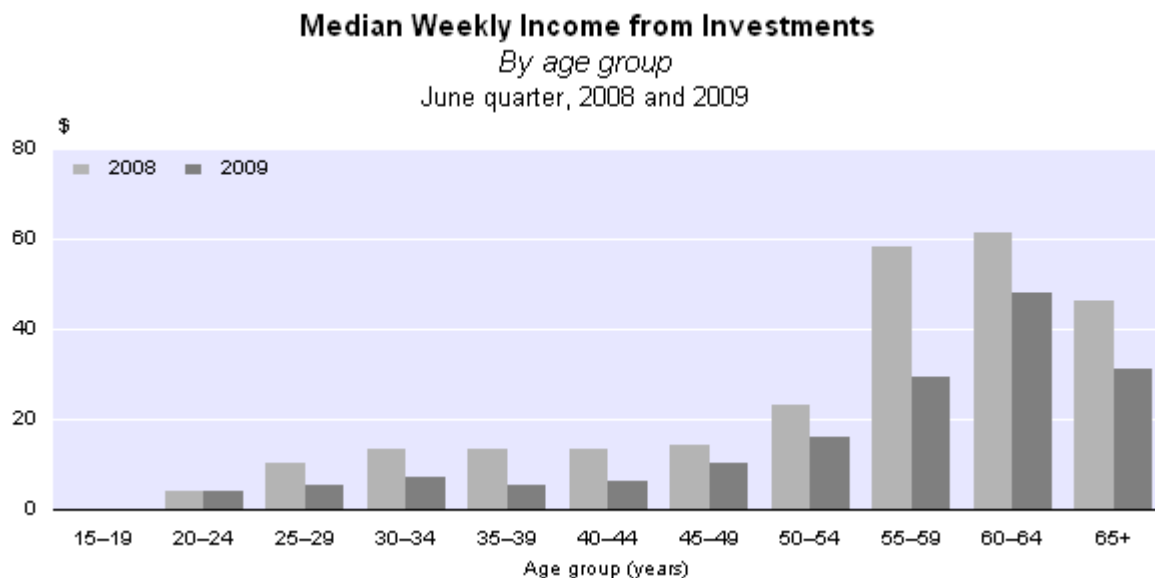
number of females decreased by 12,400 (9.4 percent). The number receiving income from self-employment who were aged 40 to 44 years decreased by 11,000 (18.8 percent), while the number in the European ethnic group was down 34,900 (10.4 percent).

## Investment income

Investment income includes, but is not restricted to, interest from banks and other financial institutions, dividends from shares, and income received from stocks, managed funds, non-business related building rent, and leased land.

Since the June 2008 quarter, the number of people receiving income from investments was relatively unchanged. However, median weekly income from investments decreased by \$5 (to \$14) for those receiving income from this source. Median weekly income from investments decreased by \$6 for both males (to \$17) and females (to \$13). There were significant decreases for most age groups in median weekly income from investments for those receiving income from that source. The greatest decrease was for those aged 55 to 59 years (down from \$58 to \$29) followed by the 65+ age group (down from \$46 to \$31).

Investment income varies with age. People approaching retirement age tend to have higher investment incomes, due to the length of time spent in the workforce building earnings to put towards investment. Age groups with the highest median weekly investment income were for those aged 60 to 64 years, and those aged 65+ (\$48 and \$31 respectively).



## Government transfers

Government transfers include income from benefits, student allowances, Accident Compensation Corporation, New Zealand Superannuation, veteran's and war pensions, and tax credits such as Working for Families.

Over the year, there was a significant increase in the number of people receiving income from government transfers. Since the June 2008 quarter, the number receiving income from this source increased by 33,700 (3.2 percent). The number of males receiving income from government transfers increased significantly, up 20,600 (5.0 percent) from the June 2008 quarter. There was no significant change for females.

The 65+ age group recorded a significant rise in the number of people receiving government transfers, up 13,900 (2.9 percent) compared with the June 2008 quarter. There was also a significant increase in Pacific peoples receiving government transfers, up 10,200 (18.1 percent).

Median weekly income from government transfers has increased significantly since the June 2008 quarter, up \$18 (to \$273). A higher proportion of females (38.5 percent) received government transfer income than males (26.4 percent) in the June 2009 quarter. Males had a larger increase (up \$20 to \$271) than females (up \$15 to \$274) in median weekly income from government transfers since the June 2008 quarter.

## **Household income**

The median weekly household income from all sources was relatively unchanged in the June 2009 quarter compared with the June 2008 quarter. In the June 2009 quarter it was \$1,234, which was not a significant change from the June 2008 quarter median of \$1,257.

Average (mean) weekly household income from all sources was \$1,459 in the June 2009 quarter, which was not a significant change from the June 2008 quarter figure of \$1,480.

For technical information contact:  
Jane Hay or Phillip Marshall  
Wellington 04 931 4600  
Email: [info@stats.govt.nz](mailto:info@stats.govt.nz)

### **Next release...**

*New Zealand Income Survey: June 2010 quarter will follow the Household Labour Force Survey: June 2010 quarter release*



## Technical notes

### Background to the survey

The purpose of the NZIS is to produce a comprehensive range of income statistics. This allows analysis of the links between labour force status, educational achievement, and income of individuals and households, both at an aggregate level and for sub-populations of interest.

The New Zealand Income Survey (NZIS) is run annually as a supplement to the Household Labour Force Survey (HLFS) during the June quarter (April to June). It was run for the first time in the June 1997 quarter.

All respondents to the HLFS were asked to participate in the NZIS. In previous years, data was accepted from a proxy only if people were unable to answer the survey on health or language grounds. In 2003, proxy interviewing was extended to a slightly wider range of situations, as long as the following conditions were met:

- the practice was acceptable to the respondent for whom the information was given
- the proxy was thoroughly knowledgeable about the respondent's income details
- every effort had been made to collect information from the respondent in the first instance.

Questions related to the respondent's most recent pay period, except for questions on annual income, self-employment income and investment income, which cover the 12-month period prior to the interview. The following items were collected:

- actual and usual gross wages and salaries by:
  - ordinary time
  - overtime
  - other income
- for main job and up to two other jobs
- weeks and hours worked corresponding to the components of wages and salaries as above
- sources of latest actual gross government transfers received
- total latest actual gross government transfers received in total and from each agency (Ministry of Social Development, Inland Revenue, and Accident Compensation Corporation (ACC))
- total latest actual gross private superannuation payment(s) received
- total latest actual gross 'all other private transfers including pensions, and annuities' received
- weeks covered for the transfer payments defined above
- total annual gross income received from self-employment including overtime
- total annual gross income from investment
- total annual gross income from all income sources (range categories as used in the census).

Some forms of income were not asked for in detail in the NZIS, including income from hobbies, casual jobs, and other sources. This may mean that the total income estimates from the survey may underestimate actual total income.

## **Suppressed estimates in this release**

Cells with estimates of less than 1,000 have been suppressed and appear as 'S' in the tables. These estimates are subject to sampling errors that are too great for most practical purposes.

## **Definitions**

A full set of definitions is available from [Statistics New Zealand](#). The collected data was cash only, pre-tax (gross) income wherever possible, and did not include any non-cash fringe benefits. In this Hot Off the Press, all tables showing wages and salaries include usual income figures rather than actual income figures.

**Actual pay** refers to what the respondent actually earned in their last pay period or in the reference week, compared with what the respondent is usually paid.

**Government transfers** in the tables relates to the sum of income from benefits, working for families tax credit, paid parental leave, student allowances, ACC, New Zealand Superannuation, and veterans' and war pensions.

**Hourly earnings** in the tables relates to the number of hours usually worked and the usual income, rather than the hours actually paid for and actual hours worked.

**In paid employment** is used to describe those who are receiving self-employment income and/or income from wages and salaries. Those who are 'not in paid employment' are those who do not fit into the 'in paid employment' category. Those people may or may not have a source of income.

**Other transfers** in the tables relates to the sum of private superannuation and other private transfers, including pensions and annuities.

**Quintile** is one-fifth of the population. The bottom quintile in terms of income represents the 20 percent of the population with the lowest personal incomes, while the top quintile represents the 20 percent of the population who receive the highest incomes.

**Quintile boundary** is the dollar value at which the quintile falls. Given that the bottom quintile has income below \$190 per week (rounded figures), the quintile boundary between quintiles one and two is \$190.

**Sampling error** is a measure of the variability that occurs by chance because a sample rather than an entire population is surveyed

**Significant changes** in an estimate, either from one adjacent quarter to the next, or between quarters a year apart, occurs if the change is larger than the associated sampling error.

**Usual pay** refers to what the respondent usually earns in their pay, and may be different from actual pay.

**Working-age population** is the population the NZIS represents. It is the same population as the HLFS, and consists of the usually resident, non-institutionalised, civilian population of New Zealand aged 15 years and over.

## Responses to the New Zealand Income Survey

Statistics New Zealand was unable to collect valid data from all eligible respondents. The most common reasons for this were that a respondent was not able to be contacted, or that a respondent was not able to provide the relevant information about their income when asked.

### Response rates for NZIS *June 2009 quarter*

	Response rate (%)
<b>Sex</b>	
Male	83.2
Female	87.0
<b>Ethnicity</b>	
European	85.0
Maori	85.5
Pacific peoples	87.0
Asian	85.1
MELAA(1)	86.2
Other ethnicity	87.6
<b>Labour force status</b>	
Employed	81.9
Not in labour force	90.7
Unemployed	91.9
Full-time employed	81.0
Part-time employed	84.9
<b>Overall</b>	85.1

(1) MELAA = Middle Eastern/Latin American/African.

## Imputation

For those records where there was not a valid and usable response, a form of imputation known as 'hot-deck imputation' was used. In this imputation method, a 'donor record' replaces the non-usable record in the dataset. The donor record is chosen randomly from an imputation pool of records that have similar characteristics to that of the record to be imputed.

The imputation pools were constructed on the basis of the following HLFS variables: age group, sex, ethnicity, highest qualification, labour force status (modified), full-time/part-time work status and region. Imputation classes were combined in a priority order when there were fewer than 10 donor records in any particular class.

Hot-deck imputation was chosen for three reasons:

- to maintain an accurate income distribution of the New Zealand population
- to allow the calculation and analysis of household income for a larger number of households
- to account for likely biases due to non-response.

There was little change in the income distribution or average income figures in the dataset due to imputation. For further information about the imputation method, or the effects of imputation on the final dataset, please contact [Statistics New Zealand](#).

## **Reliability of estimates**

The HLFS sample comprises approximately 15,000 private households, sampled randomly from rural and urban areas throughout New Zealand. The final NZIS dataset consists of approximately 28,000 valid person records, including approximately 5,000 imputed person records. The NZIS is an annual survey that is run during the June quarter (April to June).

Two types of error are possible in estimates based on a sample survey: sampling error and non-sampling error. Sampling error is a measure of the variability that occurs by chance because a sample rather than an entire population is surveyed. Sampling errors are available on request. Non-sampling errors include errors arising from biases in the patterns of response and non-response, inaccuracies in reporting by respondents, including inaccuracies as a result of proxy interviewing, and errors in the recording and coding of data. Non-sampling errors are not quantified.

## **Compositional effects**

Movements in average income statistics are influenced by many factors. As well as changes in levels of income, movements are also influenced by the composition of the population from survey to survey. These changes occur between males and females, different ethnic groups, different labour force statuses, numbers of full-time and part-time workers, different industries or within industries, and different occupations or within occupations.

## **Rebase of the population estimates**

A five-yearly revision of the Household Labour Force Survey (HLFS) series has recently been completed. This revision incorporated population weights from the most recent population census (2006) updated with Māori benchmarks. These benchmarks are

designed to improve the quality and time series consistency of income estimates for the Māori ethnic group. For more information about the rebase please see the [NZIS population rebase document](#).

This rebase has created minor changes to all estimates produced by the NZIS up to and including 2008; typically the change is less than 0.5 percent. All revised figures in the tables in this release have an 'R' next to them. Updated Table Builder tables are now available on the [Statistics NZ website](#), and updated HOTP tables for previous years are available on request.

## **Ethnic statistics**

Starting in the December 2007 quarter, the HLFS began collecting ethnicity data using the 2005 New Zealand Statistical Standard for Ethnicity, and 14 responses are now captured for the ethnicity question. Prior to 2009, the NZIS output ethnicity statistics using the prioritisation method, where a single ethnic group was assigned to individuals who answered with more than one ethnicity. From the June 2009 quarter, the NZIS is publishing ethnicity statistics using the total response method. Under the total response method, people who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of people who stated their ethnicities.

This will be a complete break in the ethnicity series, as the prioritisation of ethnic groups will no longer be produced. The new (total response) ethnicity series can only be produced for 2008 onwards.

The 2005 New Zealand Statistical Standard for Ethnicity enables the HLFS and the NZIS to collect and output more detailed ethnicity data, especially for the Asian ethnic group which was not previously output. The total response ethnic groups now being published are listed below:

- European
- Māori
- Pacific peoples
- Asian
- MELAA<sup>(1)</sup>
- Other ethnicity
- Total<sup>(2)</sup>

(1) MELAA = Middle Eastern/Latin American/African.

(2) 'Total all ethnic groups' includes residual categories.

For more information about the 2005 New Zealand Statistical Standard for Ethnicity please read the [Review of the Measurement of Ethnicity](#) report.

## Household statistics

The household categories incorporate the concept of dependent children rather than just children. A child is a person of any age who usually resides with at least one parent (natural, step, adopted, or foster), and who does not usually reside with a partner or child(ren) of his or her own. Statistics NZ defines a 'dependent child' as a child aged under 18 years and not in full-time employment.

The household income statistics table included in this release excludes households where all members are outside the ages of 18 to 64 years. This exclusion primarily affects 'couple only' and 'one person' households. These households typically contain two distinct groups of the population: couples and single persons who are likely to be in the labour force, and couples and single persons who are primarily retired. Because these groups can have very different income characteristics, the household income table excludes older households where all members are aged 65+. The income figures for 'couple only' and 'one person' households for those aged 65+ are available from Statistics NZ on request.

## Other possible uses of the data

The tables in this Hot Off the Press are not a full set of the possible analyses that could be carried out from the NZIS data. Data requests can be customised to users' specifications. Please contact Statistics NZ [customer services](#) for more information.

## More information

For more information about the NZIS, see the [NZIS resource page](#) on the Statistics NZ website. Confidentialised unit record files (CURFs) for unrebased 2002–07 NZIS data are now available on application (see [application form](#) on the Statistics NZ website). For more information about using wage and income measures, see the [user guide for wage and income measures](#) on the Statistics NZ website.

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## **Timing**

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

## Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Average and median weekly income for all people, aged 15 years and over
2. Average and median weekly income for all people, aged 15 years and over, by sex
3. Average and median weekly income for all people, aged 15 years and over, by age group
4. Average and median weekly income for all people, aged 15 years and over, by ethnic group
5. Average and median weekly income for people in paid employment, June 2009 quarter
6. Median weekly earnings for those in paid employment, by regional council area
7. Average and median weekly income for people not in paid employment, June 2009 quarter
8. Personal income distribution, by quintile
9. Average and median weekly household income, by household type
10. Average and median hourly earnings for those earning income from wage/salary jobs, June 2009 quarter
11. Median weekly and hourly earnings for those earning income from wage/salary jobs, by full-time and part-time status
12. Median weekly income by source, for those receiving that source of income

## Supplementary tables

1. Median weekly income by labour force status, June 2009 quarter
2. Average weekly income by labour force status, June 2009 quarter
3. Average and median weekly household income, by household type
4. Average weekly income by source, for those receiving that source of income
5. Average weekly and hourly earnings for those earning income from wage/salary jobs, by full-time and part-time status
6. Average weekly income for all people, by regional council area
7. Aggregate weekly income, 2005–09 June quarters