

This fact sheet summarises key highlights from the latest labour market information, including changes since the start of the COVID-19 Alert Levels. It focusses on the latest changes and data, to complement MBIE's *Labour Market Statistics Snapshot*<sup>1</sup>, which is produced every quarter and uses the traditional Labour Market official statistics. For more detail about sectors and regions, see fact sheets available at MBIE's *Sector Report Series*<sup>2</sup>.

The *Monthly Labour Market Fact Sheet* will next be updated on 10 September 2020.

## Overview

### Headline statistics

Measures	Sep-19	Dec-19	Mar-20	Jun-20
Employment	2,645,000	2,650,000	2,676,000	2,665,000
— Wages or Salaried	2,316,600	2,338,000	2,333,300	2,287,200
— Self-employed	295,900	308,700	324,400	339,700
Employment Rate	67.5%	67.3%	67.5%	66.9%
Underutilisation	296,000	286,000	301,000	346,000
— Unemployment	114,000	112,000	117,000	111,000
— Underemployment	94,000	90,000	92,000	125,000
— Potential job seekers	88,300	84,400	92,600	110,400
Underutilisation Rate	10.4%	10.0%	10.4%	12.0%
Unemployment Rate	4.1%	4.1%	4.2%	4.0%
Not in the Labour Force	1,159,000	1,175,000	1,171,000	1,207,000
Youth Not in Employment, Education or Training (NEET)	69,000	76,000	91,000	81,000
NEET Rate	10.7%	11.7%	14.0%	12.5%
Average Hours Worked	38.60	38.66	38.62	37.44

*Labour Market Statistics, Stats NZ (Data to June 2020, next release on 04/11/2020)*

### The recent story

The effects of COVID-19 and Alert Level economic restrictions continue to affect New Zealand's labour market, although traditional indicators paint an inconsistent picture. Both the unemployment and employment rates fell in the June 2020 quarter, as the number of people not in the labour force increased by 37,000 over the quarter.

During April, the number of people receiving Jobseeker Support Work Ready benefits increased markedly and filled jobs fell by 35,300 – a record 1.6 per cent decrease. Throughout May and June, the number of filled jobs has rebounded and the number of benefit recipients has stabilised. The number of advertised job vacancies continues to fall, but the reduction in June was far lower than in April and May.

It is likely that the COVID-19 Wage Subsidy has affected current employment levels. The wage subsidy has now covered over 1.7 million jobs since the scheme was introduced (almost 1.5 million employee jobs and 240 thousand sole traders), which were protected while employers received the subsidy. The number of jobs protected at any one time peaked in June at around 1.5 million and stood at around 500,000 at the end of July as support expired. As the wage subsidy concludes, employment levels may decline.

<sup>1</sup><https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/labour-market-statistics-snapshot/>

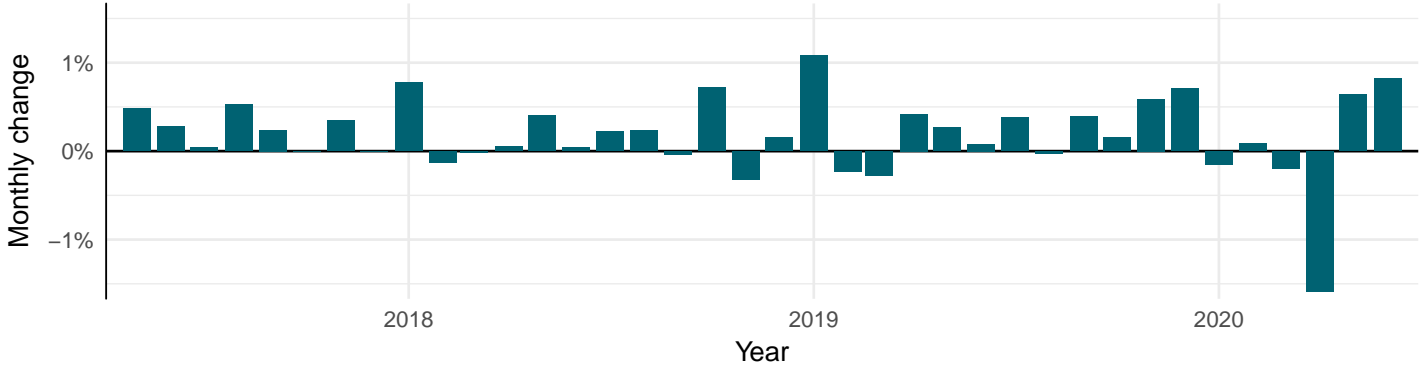
<sup>2</sup><https://www.mbie.govt.nz/business-and-employment/economic-development/sector-reports-series/>



## Filled jobs

Stats NZ's Monthly Employment Indicators (MEIs) count filled jobs, using employer payroll filing tax data. These statistics are a useful indicator to supplement the official Labour Market Statistics, although they do not count the self-employed and recent results can be subject to fluctuations due to different employers' payroll schedules. Since April 2020's record monthly fall (35,600 jobs, down 1.6 per cent), filled jobs have seen strong increases in both May and June, up 16,500 back up to 2.2 million jobs in total.

Change in number of seasonally adjusted filled jobs, monthly



Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to June 2020, next release on 28/08/2020)

New Zealand's filled jobs follow a highly seasonal pattern, so monthly changes in the number of jobs are only a partially meaningful indicator of economic health. Changes in comparison with the previous year are more reliable. Over the year to June 2020, total filled jobs grew by 1.8 per cent with increases in all ten of the largest industries. The overall annual growth is slightly below recent years, reflecting strong growth over the year to March before the sharp decline in April.

Filled jobs by industry

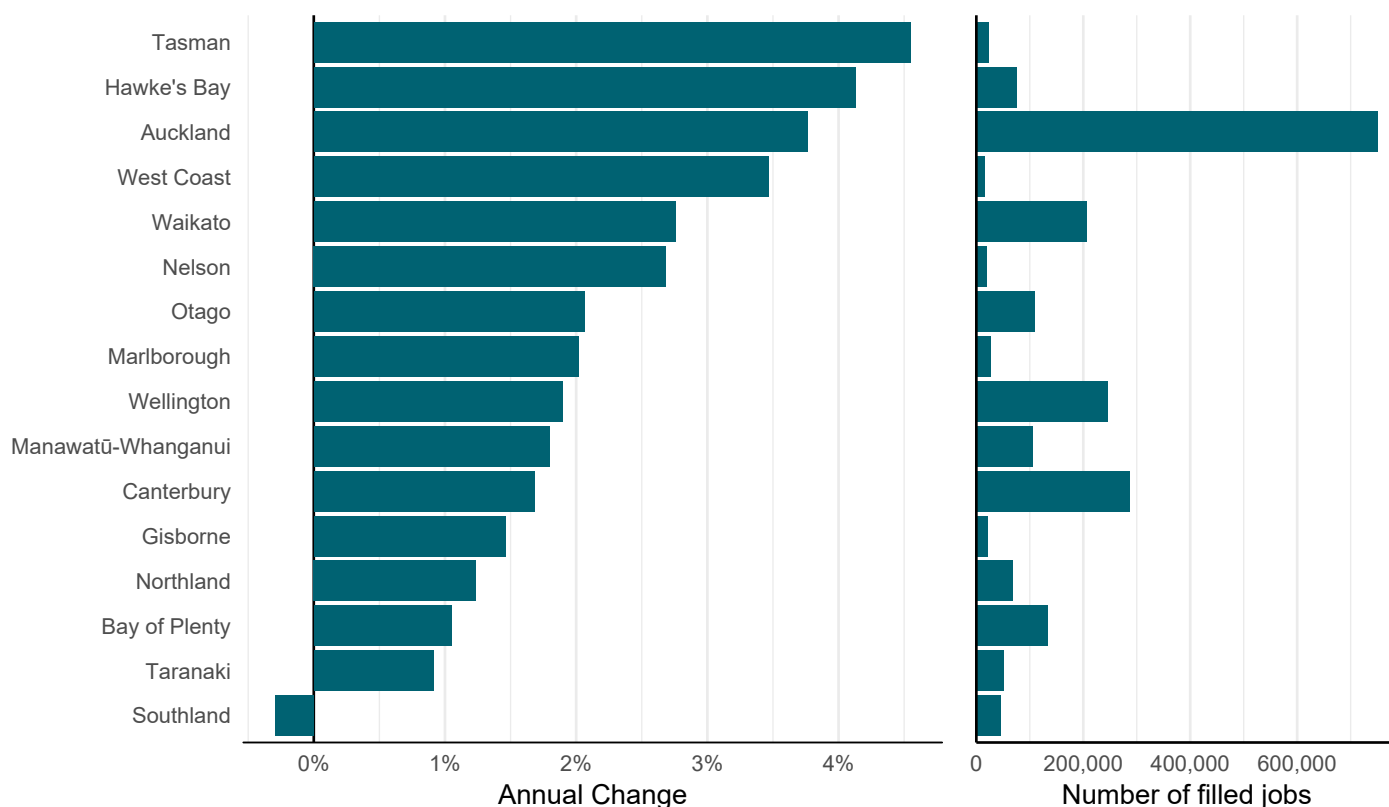


Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to June 2020, next release on 28/08/2020)



There was strong annual growth in filled jobs in Tasman and Hawke's Bay, where the largest employing industry group is fruit growing. Southland was the only region to experience an annual reduction in filled jobs. The highest employing industries in Southland are dairy farming, meat farming and meat processing.

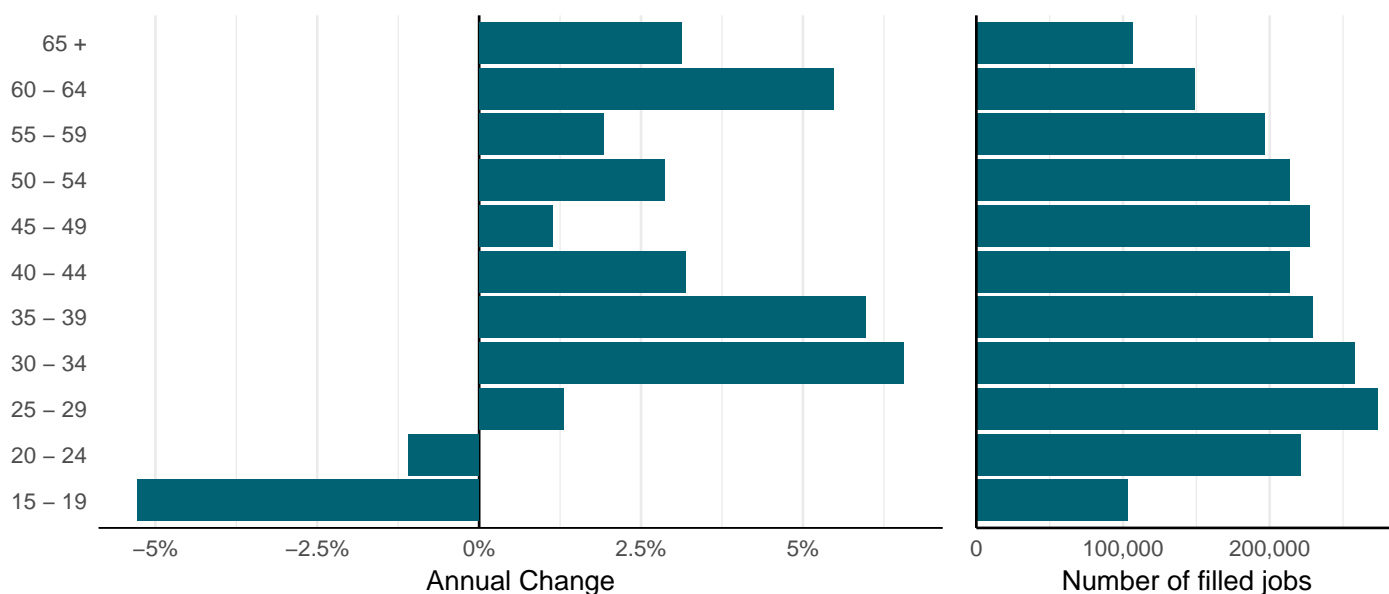
Filled jobs by region



Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to June 2020, next release on 28/08/2020)

As we know, younger workers are more vulnerable and more likely to be in industries and occupations affected the COVID-19 situation. The number of jobs filled by younger workers declined over the year to June 2020, particularly for the youngest workers.

Filled jobs by age group



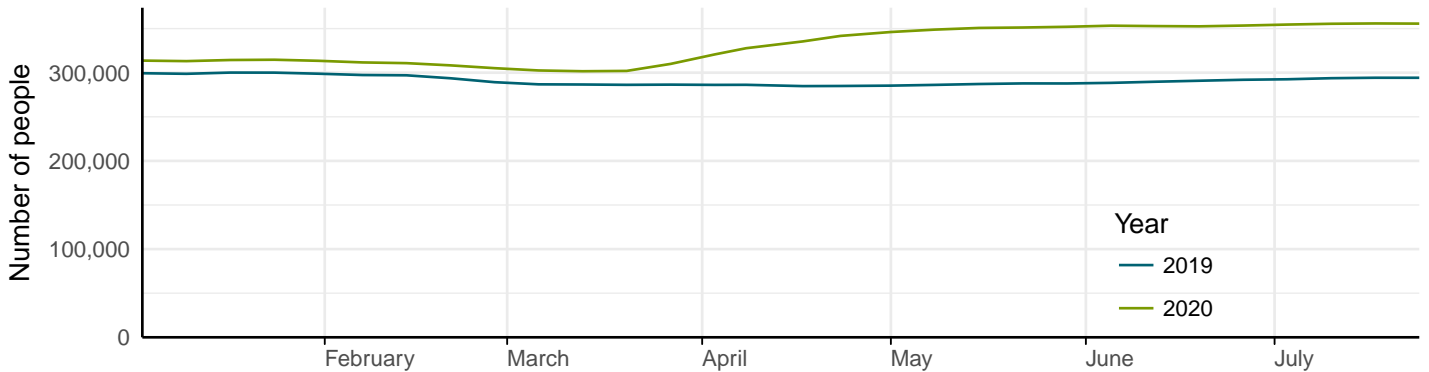
Monthly Economic Indicator - Filled Job Series, Stats NZ (Data to June 2020, next release on 28/08/2020)



## Benefit Recipients

The number of people receiving a main benefit continues to slowly increase. On 24 July 2020, there were 355,640 people receiving a main benefit, an increase of 61,400 since the same week last year and an increase of 2,200 over the last month. The number of recipients increased rapidly from late March and throughout April, but has stabilised since May. A further 20,020 people were receiving the COVID-19 Income Relief Payment, which is not included in the main benefit total, although only 2,920 recipients had transferred from Jobseeker Support while the other 17,100 were new beneficiaries.

### Main benefit recipients

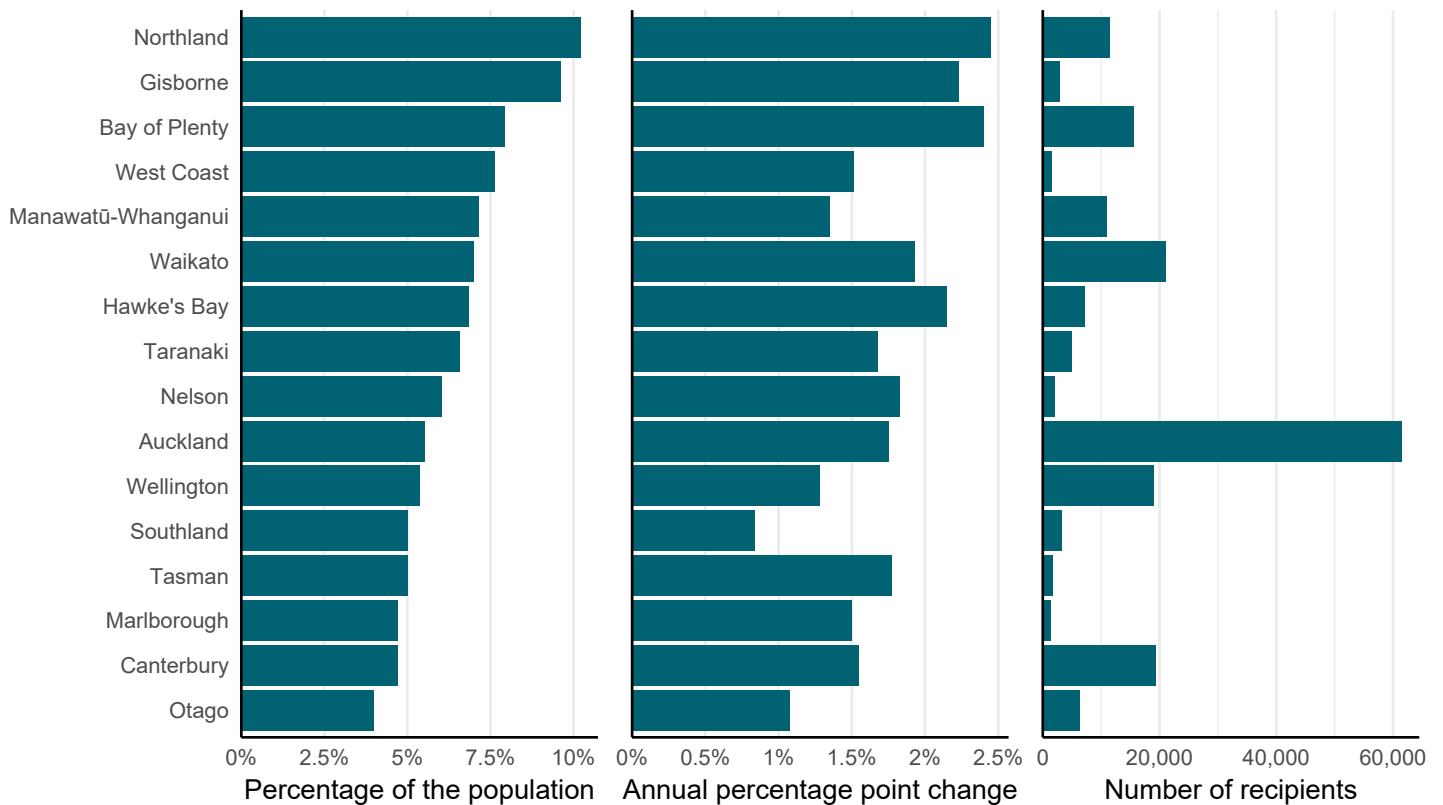


Working-age main benefits, MSD (Data to 24/07/2020, released every Friday)

Benefits are primarily a measure of how many people require income support rather than unemployment, but since 2008 the number of Jobseeker Support recipients tracks in line with the number of unemployed individuals. We are measuring all main working age benefits<sup>3</sup> here to cover additional circumstances in which someone could need extra income – as a better proxy for the underutilisation rate, which is a more useful measure of “slack” in the labour market than unemployment alone.

MSD and MBIE are continuing to investigate the relationship between benefits and underutilisation in the labour market. By region, the percentage of the population receiving benefits has a similar distribution to regional unemployment rates, while the regional change in benefit recipients is more tied to the main industries groups present in the region.

### Jobseeker benefit recipients by region



Working-age main benefits, MSD (Data to 24/07/2020, released every Friday)

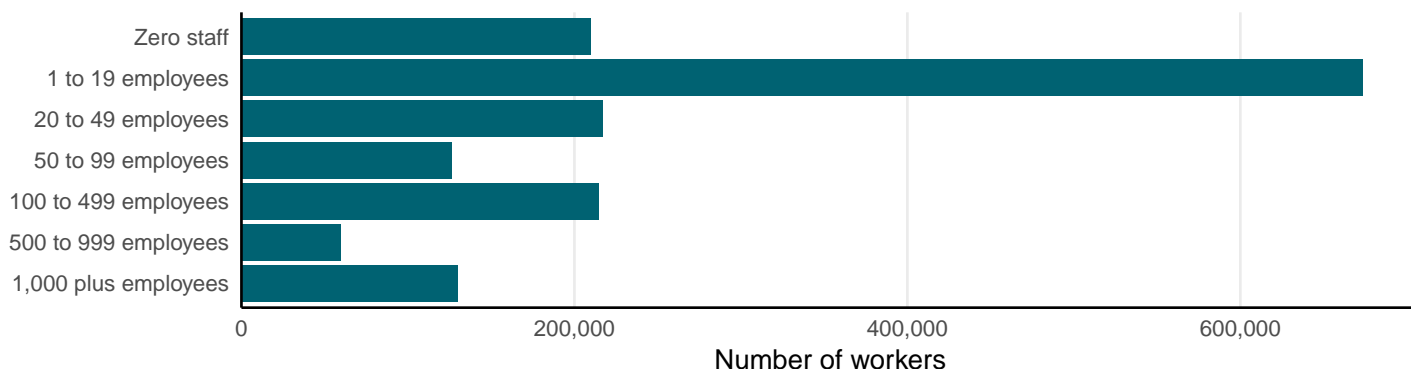
<sup>3</sup><https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/benefit/2020/benefit-fact-sheets/bfs-t1-stats-information.docx>



## Wage Subsidy

The COVID-19 Wage Subsidy and Leave Payment Scheme was introduced to assist businesses to pay their staff, allowing businesses to claim \$585.80 per week per full time employee (\$350 per part time employee) for up to 12 weeks. The wage subsidy extension scheme was introduced on 10 June, covering jobs for up to 8 weeks.

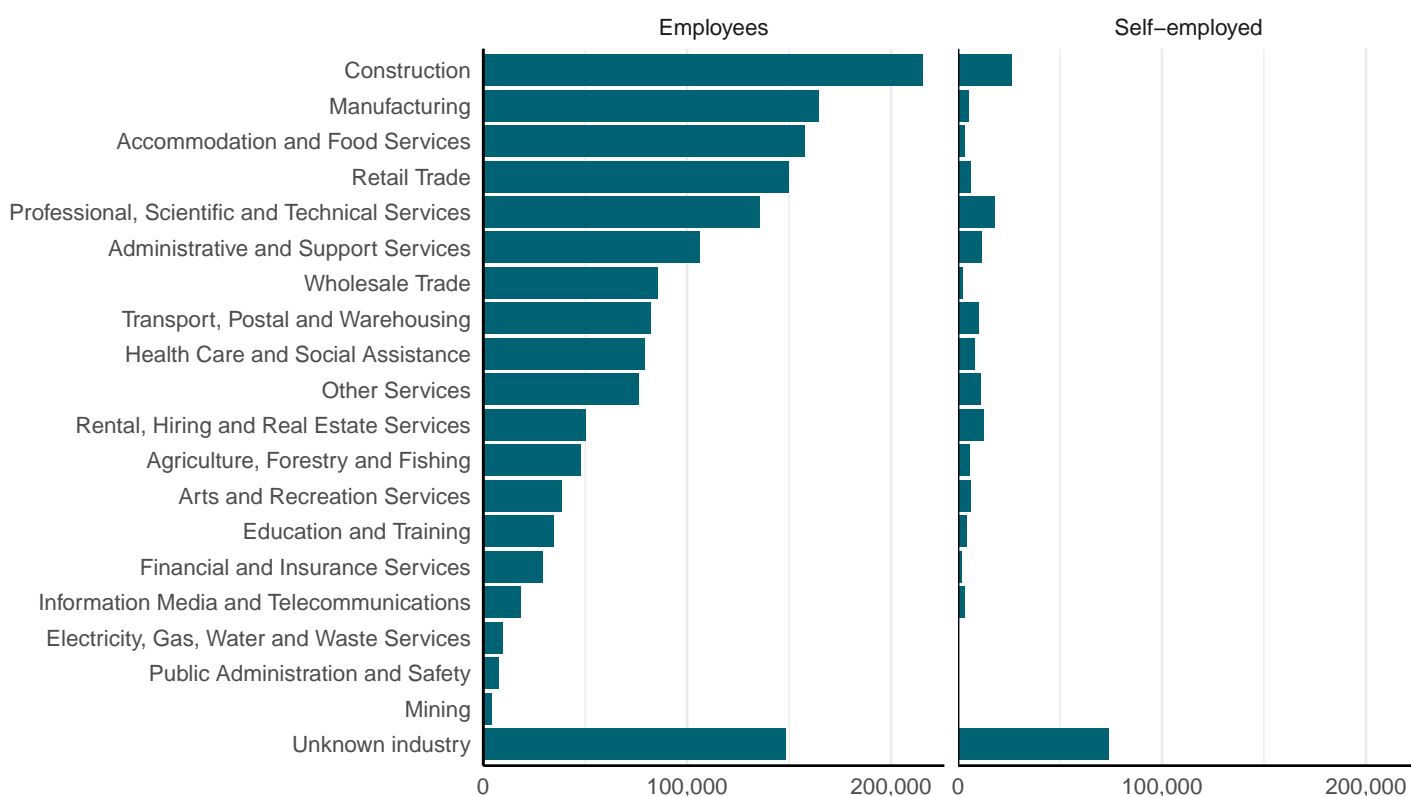
Workers receiving COVID-19 Wage Subsidy by size of employer



COVID-19 evidence, MSD (Data as at 15/05/20, no further updates)

As at 15 May 2020, 390,197 businesses or 71 per cent of New Zealand businesses received the wage subsidy. These were mostly smaller businesses (businesses with 1 to 19 employees).

Workers receiving COVID-19 Wage Subsidy by industry



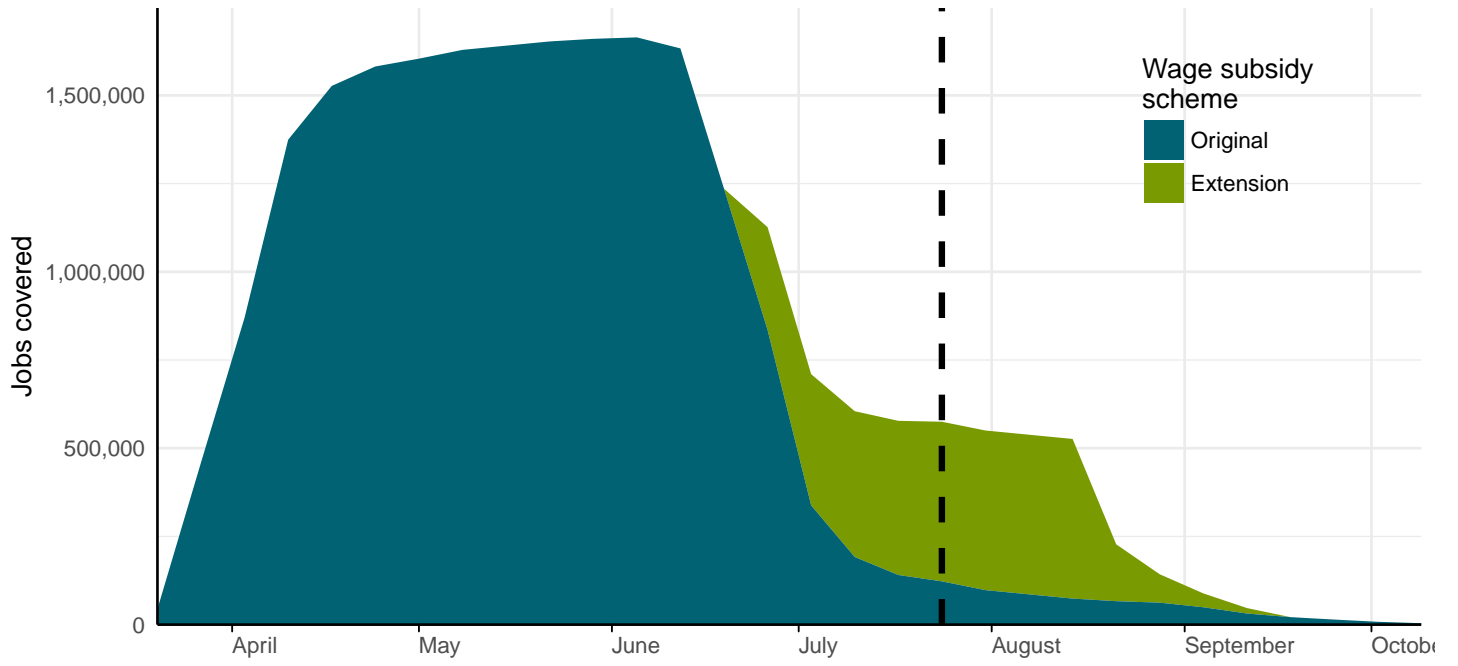
COVID-19 evidence, MSD (Data as at 15/05/20, next update scheduled late August)

The total number of jobs protected by the wage subsidy and extension as at July 24 is now 1.73 million (1.49 million employees and 239,000 sole traders). Of these jobs, 452,000 are now protected by the wage subsidy extension scheme (either transitioning from the original wage subsidy, or new applications to the extension).

If a business claimed the subsidy for an employee, they were required to protect that job whilst the subsidy was in effect (twelve weeks for the original scheme, eight weeks for the extension). The chart below is illustrative and shows the number of jobs that the subsidy protected over time, based on the number of applications received each week and assuming that all jobs from those applications were protected for the duration of the schemes.



# Jobs supported by wage subsidy schemes



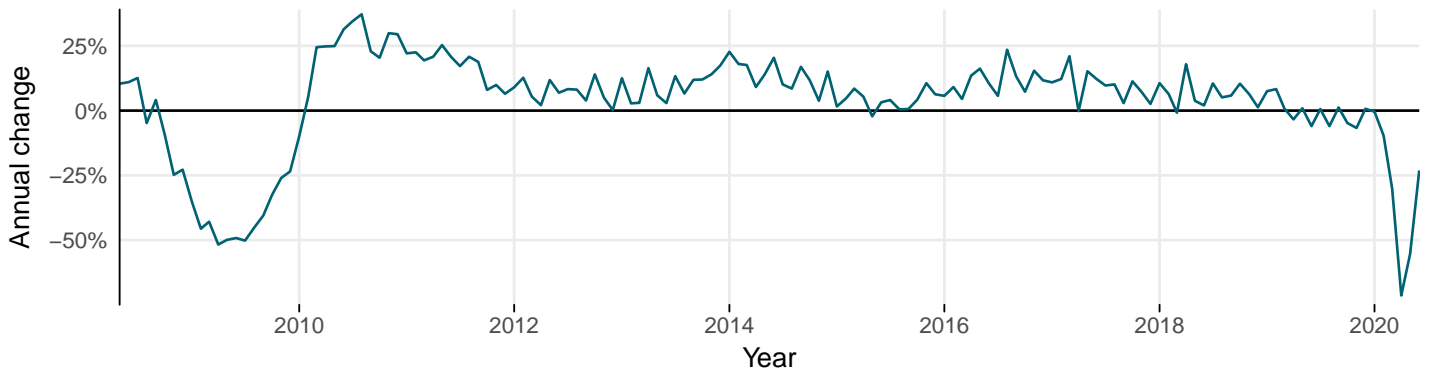
Income Support and Wage Subsidy Weekly Update, MSD (Data to 24/07/2020, released every Friday)



## Jobs Online

The number of jobs advertised online on major job boards continues to fall, although the steep rate of decline is slowing. The All Vacancies Index fell 23.1 per cent over the year to June 2020, compared to an annual fall of 71.4 per cent to April 2020, during lockdown.

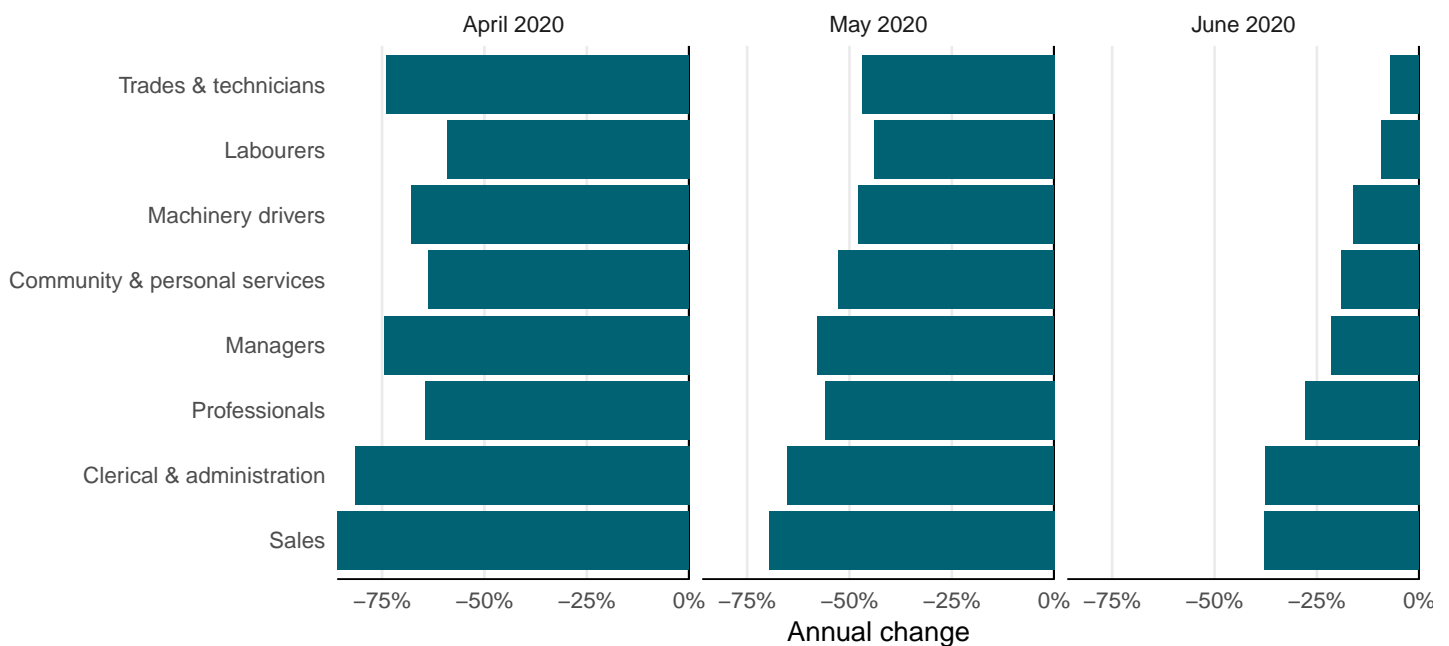
Online job advertising – annual rate of change



Jobs Online, MBIE (Data to June 2020, next release 14/08/20)

The largest annual reductions in advertising continue to be in Sales and Clerical & Administration occupations. Trades & technicians occupations suffered a 75 per cent reduction over the year to April 2020, but had the smallest annual reduction over the year to June.

Annual change in online job advertising by occupation, latest three months



Jobs Online, MBIE (Data to June 2020, next release 14/08/20)



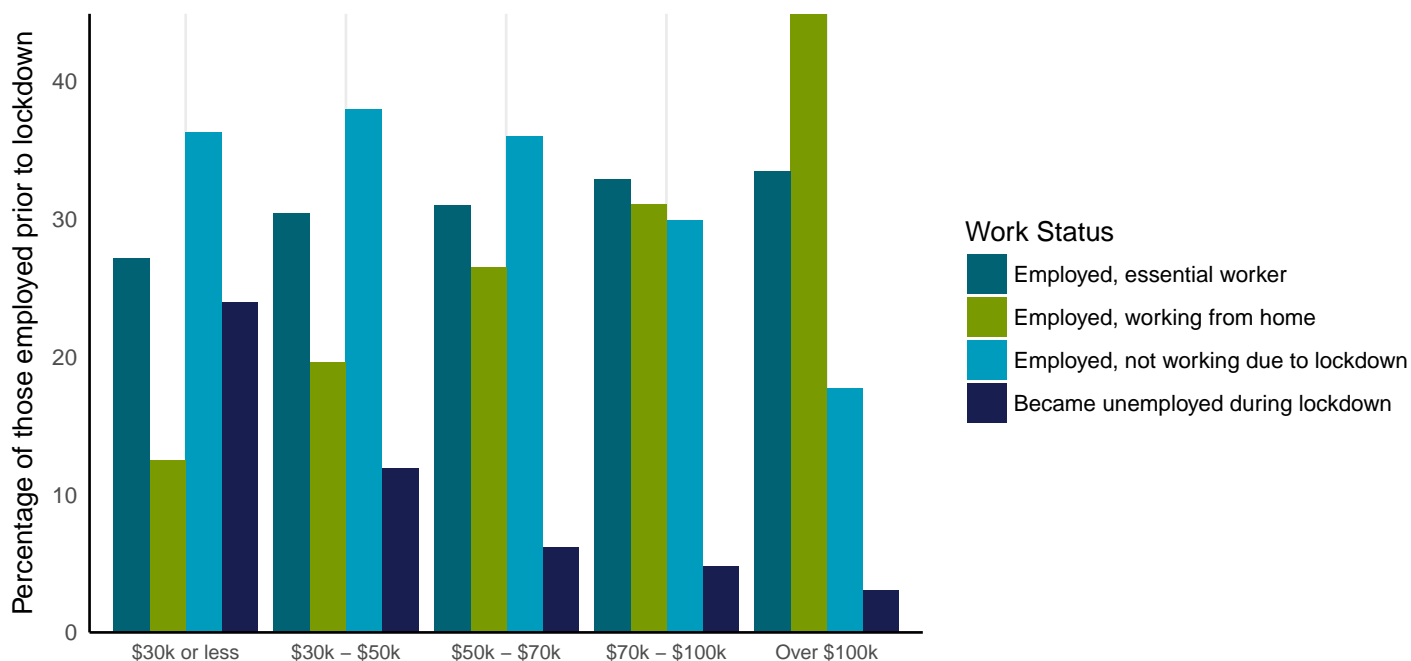
## Findings from recent research

Victoria University's Institute for Governance and Policy Studies conducted a survey of 2000 adults from 15 to 18 April, three weeks into the Level 4 lockdown. *Life in Lockdown*<sup>4</sup> examines the effects of lockdown on New Zealand's economic and social wellbeing, including labour market outcomes. In the survey, 68 per cent of respondents were in paid employment at the start of lockdown (matching the official employment rate of 67.5 per cent from the March 2020 quarter).

Although only 7 per cent of respondents had lost their jobs at the time of the survey, 44 per cent reported living in a household where at least one adult had experienced job or income loss.

Of those who were employed at the start of lockdown, essential workers were spread relatively evenly across household income groups, with a slight increase in the proportion with increasing household income. Workers from higher income households were much more likely to report being able to work from home and less likely to have become unemployed.

Work status by household income



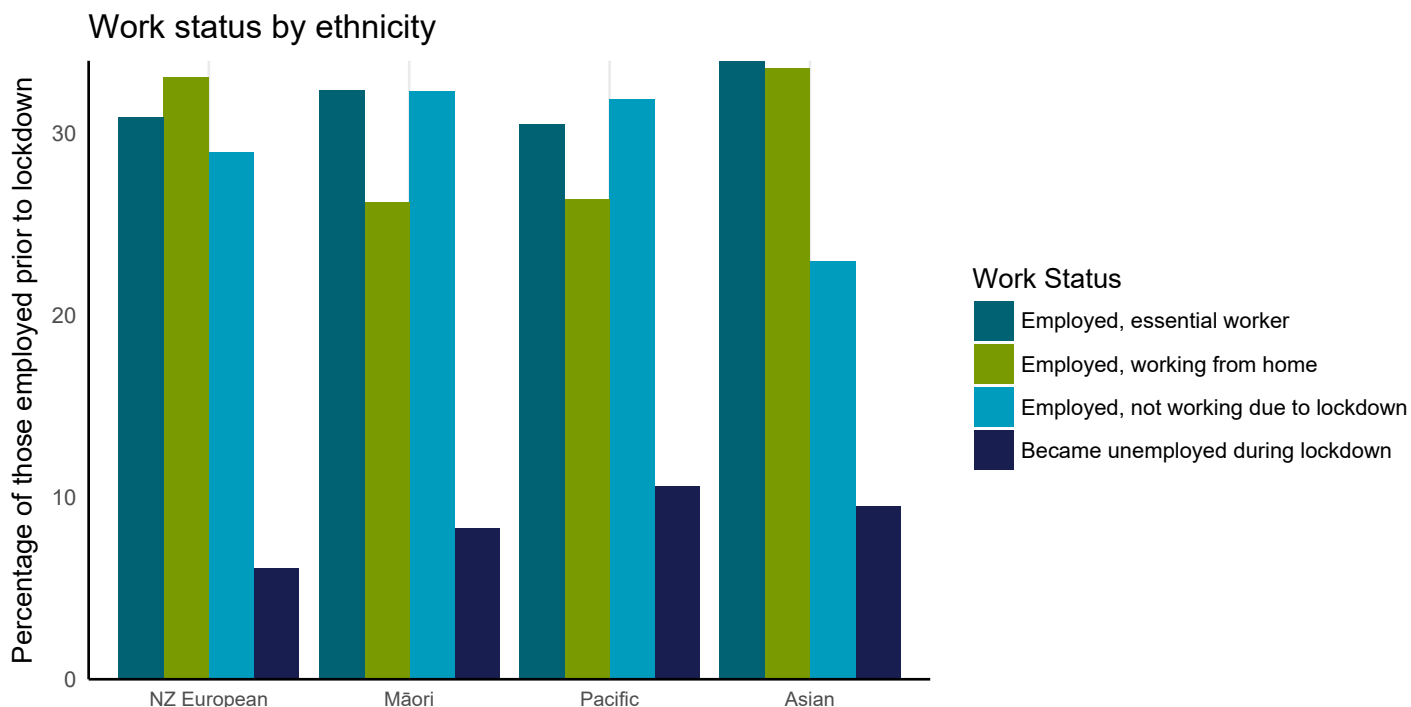
*Life in lockdown report, Victoria University of Wellington*

<sup>4</sup><http://researcharchive.vuw.ac.nz/bitstream/handle/10063/9022/WP-20-03-covid-19-life-in-lockdown.pdf?sequence=1>





Outcomes by ethnicity were also variable. Asian and NZ European respondents were more likely than other ethnicities to be working from home but Europeans were least likely to have become unemployed.



*Life in lockdown report, Victoria University of Wellington*

The work situation of those who remained employed was differentially associated with wellbeing during lockdown, with essential workers more likely to report feelings of stress compared to other workers (47 per cent versus 38 per cent).

Parents who could continue to work during lockdown - either as essential workers or working from home - reported increases in family time demands, while still reporting having the same job demands as compared to prior to lockdown. These family demands were particularly acute for parents of young children and mothers. Mothers who could continue to work during lockdown were more likely than fathers to report that their family demands interfered with their ability to meet their job responsibilities, with this gap wider among mothers and fathers with young children.



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## Data sources

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### Household Labour Force Survey (HLFS) | Stats NZ

The HLFS is a nationwide, quarterly survey of households run by Stats NZ. It is the official measure of employment and unemployment in New Zealand. Data from the HLFS is used as an indicator of the overall health of the economy, particularly the unemployment rate. The HLFS is also good for making comparisons of labour force variables across demographic characteristics.

### Monthly Employment Indicator (MEI) | Stats NZ

The MEI series from Stats NZ provides an early indication of changes in the labour market. These indicators use a combination of data from two different Inland Revenue sources: the Employer Monthly Schedule (EMS) and payday filing. This data is used to produce the filled jobs and gross earnings indicator series, published four to five weeks after the end of the reference month.

### Monthly Benefits Update | Ministry of Social Development (MSD)

The Monthly Benefits Update from MSD provides an overview of benefit and supplementary assistance data. The report presents monthly benefit receipt numbers, and the accompanying data file provides additional information and breakdowns.

### Income Support and Wage Subsidy Weekly Update | Ministry of Social Development

The Income Support and Wage Subsidy Weekly Update provides an overview of income support, including COVID-19 Income Relief Payment data. MSD's COVID-19 reporting is available at: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/covid-19/index.html>

## Previous editions

The Monthly Labour Market Fact Sheet brings together the latest available data and surveys. July's edition<sup>5</sup> included findings from the Ministry of Health's *COVID-19 Health and Wellbeing Survey*, the Ministry of Social Development's *Wage Subsidy Survey* and Auckland Tourism, Events and Economic Development's (ATEED) *COVID-19 Business Survey*.

## Contact us

For further information on the data contained in this fact sheet, please email us: [LabourMarketInsights@mbie.govt.nz](mailto:LabourMarketInsights@mbie.govt.nz).

### Jobs Online | Ministry of Business, Innovation and Employment

Jobs Online is a regular data series published quarterly by MBIE that measures changes in online job advertisements from four internet job boards — Seek, Trade Me Jobs, Education Gazette and Kiwi Health Jobs. A monthly series is available at <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online/#jobs-online-monthly-data-release>

### Life in Lockdown | Victoria University of Wellington

These results are from a web-based survey of 2,000 adults, conducted from 15-18 April 2020, examining wellbeing, family functioning and labour market outcomes. The survey was designed by researchers from the university's Institute for Governance and Policy Studies and the Roy McKenzie Centre for the Study of Families and Children. Participants were recruited by e-mail, with quotas applied to improve representation across sociodemographic groups. Results were then weighted to produce nationally-representative population-level estimates.

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<sup>5</sup><https://www.mbie.govt.nz/dmsdocument/11556-monthly-labour-market-fact-sheet-july-2020>

