

# Migrants' Income and Assets

---

<b>6.1</b> <i>Introduction</i> .....	102
<b>6.2</b> <i>Income</i> .....	103
<b>6.3</b> <i>Sending money overseas</i> .....	108
<b>6.4</b> <i>Government assistance</i> .....	111
<b>6.5</b> <i>Asset ownership</i> .....	112

# 6

## Migrants' Income and Assets

*What level of income do migrants have in New Zealand, what are their sources of income, and can they meet their living costs? What assets do migrants own in New Zealand and overseas?*

### 6.1 Introduction

The LisNZ provides an opportunity to examine migrants' incomes and assets at a level of detail that has not previously been possible in New Zealand. The economic and financial situation of migrants is of critical interest to policy-makers and those with an interest in the welfare and economic outcomes of migrants to New Zealand.<sup>46</sup>

This chapter examines migrants' personal income and the sources of that income; ownership of assets and the value of those assets; financial assistance from the government; and the adequacy of migrants' income to meet their living costs.

#### Key findings

- Migrants' median annual income from all sources was \$36,000.
- One in four migrants earned more than \$50,000 per year.
- Migrants living outside the larger metropolitan areas reported some of the highest median annual earnings.
- Nearly a third of all migrants said they did not have enough money to meet the cost of living in New Zealand compared with 16 percent who could not meet the cost of living in their previous country.
- Nine percent of migrants had received some kind of government financial assistance, but less than 2 percent had received a core benefit.
- Seventeen percent of migrants had sent money overseas to family, friends, a church, or other community groups.
- Two-thirds of migrants reported owning assets, most commonly property.

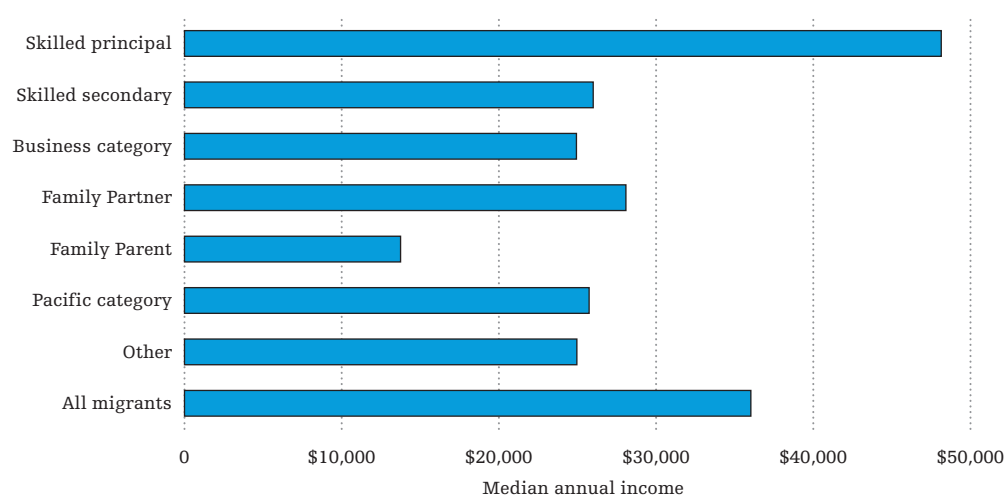
<sup>46</sup> The Department of Labour's IMSED Research team has undertaken a programme of research on the economic impacts of immigration. Several reports from this programme are available from Immigration New Zealand's Economic Impacts of Immigration website <http://www.immigration.govt.nz/migrant/general/generalinformation/research/impacts.htm>.

## 6.2 Income

### 6.2.1 Personal income by approval category

Migrants' estimated median annual personal income from all sources was \$36,000.<sup>47</sup> Median annual incomes varied by immigration approval category (see Figure 6.1). The median annual income for Skilled principal migrants (\$48,100) was substantially higher than that of other migrants.

Figure 6.1: Median annual income from all sources by immigration approval category

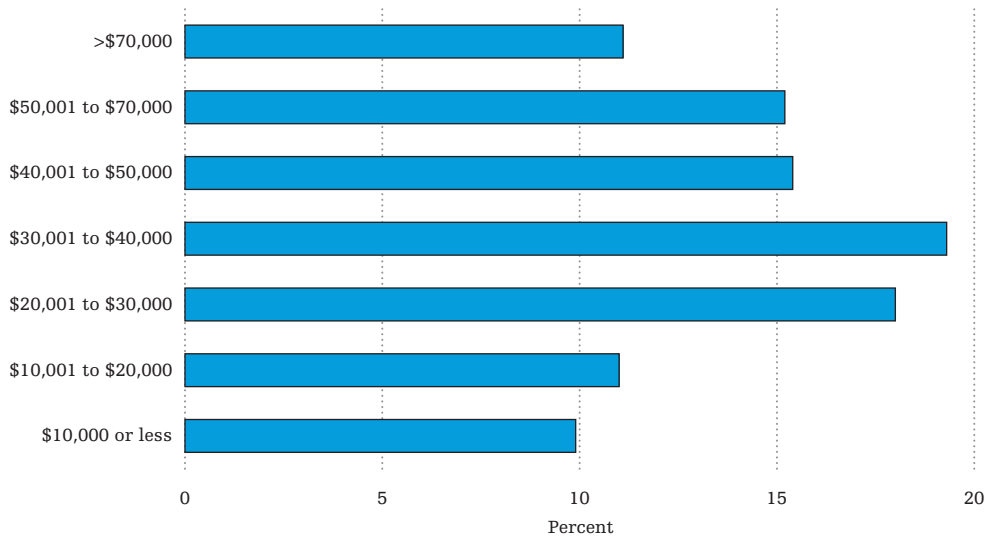


One in four migrants who specified their personal gross income from all sources in New Zealand reported it at more than \$50,000 per year (see Figure 6.2). A high proportion of Pacific category migrants (47 percent) earned between \$20,000 and \$30,000 per year, which is consistent with the policy requirements that these applicants meet a minimum income threshold.<sup>48</sup> As expected, relatively few Family Parent category migrants reported any personal income and those who did reported lower incomes compared with migrants approved through other categories.

<sup>47</sup> This analysis is based on the migrant's estimated income from all sources. Seventy-four percent of migrants reported having an income, although 11 percent of those did not provide the value of that income.

<sup>48</sup> The threshold was \$25,585 as at September 2004 but was lowered to \$24,793 in May 2005.

Figure 6.2: Annual income from all sources



### 6.2.2 Sources of income

New Zealand wages and salaries were the most common source of income for migrants overall (83 percent). This was the case across all but one of the immigration approval categories. Business migrants' main source of income was from self-employment in New Zealand (39 percent). Very few migrants reported their main source of income as payments from the unemployment benefit or from overseas sources. Family Parent category migrants were more likely than other migrants to report that their main source of income was from overseas (16 percent). Eleven percent of migrants did not specify their main source of income, including 34 percent of Business migrants. (See Table 6.1.)

Table 6.1: Main source of income of migrants by immigration approval category

Main source of income	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
NZ wages/salary	88.3	87.5	25.2	79.6	71.9	85.1	81.6	83.1
NZ self-employment	1.9	3.7	38.7	6.2	S	S	5.1	4.6
Unemployment benefit	S	0.4	S	1.1	S	S	2.9	0.6
Overseas sources	0.4	0.4	S	0.8	15.6	S	S	0.7
Not specified	9.2	8.0	34.2	12.3	15.6	14.0	8.8	10.9
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	11,670	5,130	1,110	4,710	320	1,140	1,360	25,430

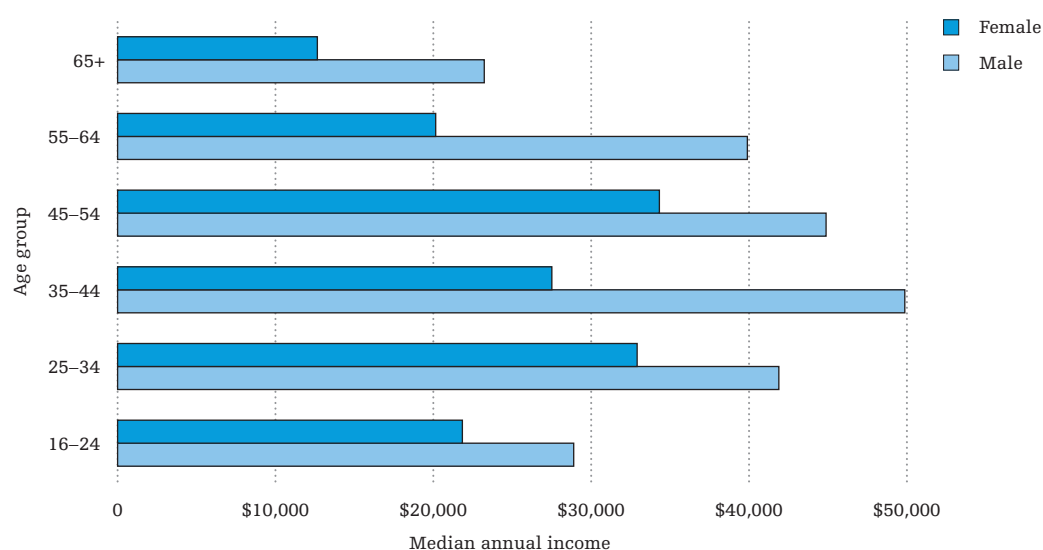
Symbol: S = suppressed for confidentiality reasons.

### 6.2.3 Personal income by age and sex

Migrants (both male and female) in the age groups 25–34, 35–44, and 45–54 had higher median annual personal incomes than migrants in other age groups. Most Skilled principal migrants (92 percent) were aged 25–54.

The estimated median annual income for males was \$42,500 compared with \$29,100 for females. Among other factors, income is related to employment and males were more likely to be in paid and full-time work than were females. Furthermore, Skilled principal migrants were twice as likely to be male (67 percent) than female. Figure 6.3 shows a breakdown of median annual incomes by age and sex.

Figure 6.3: Median annual income from all sources by age and sex

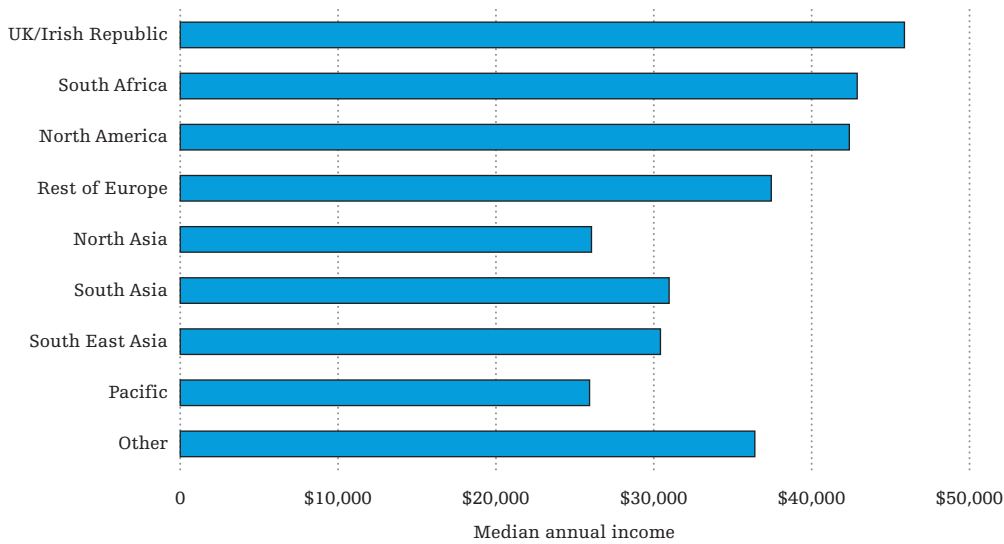


### 6.2.4 Personal income by region of origin

Migrants from the Asia and Pacific regions generally reported lower incomes than migrants from other regions, which is partially attributable to the younger age of these migrants compared with migrants from other regions.

Migrants from the Asia and Pacific regions were less likely to report an income in the highest range (over \$70,000) than migrants from the UK/Irish Republic, South Africa, North America, and the Rest of Europe. Sixty-three percent of North Asian and Pacific migrants reported earning up to \$30,000 per year. In comparison, less than one-third of migrants from the UK/Irish Republic, South Africa, North America, and the Rest of Europe earned up to \$30,000. Figure 6.4 shows the median annual income from all sources by region of origin.

Figure 6.4: Median annual income from all sources by region of origin



### 6.2.5 Personal income by New Zealand region

The 2006 Census of Population and Dwellings showed that people living in New Zealand's metropolitan areas such as Wellington and Auckland had higher personal incomes than those living in other areas.<sup>49</sup> The results for the migrant population represented here showed that migrants living outside the larger metropolitan areas reported some of the highest median annual earnings (Northland, Taranaki, Gisborne, and Manawatu-Wanganui).

Migrants living in Auckland reported personal incomes that were closer to the overall median of \$36,000 for all migrants, which reflects the high proportion of Asian and Pacific migrants in Auckland and the relatively young age of these migrants. Overall, Auckland attracted a larger proportion of young migrants (16–24 years) compared with regions such as Northland and Taranaki. Figure 6.5 shows the median annual income from all sources of migrants by New Zealand region.

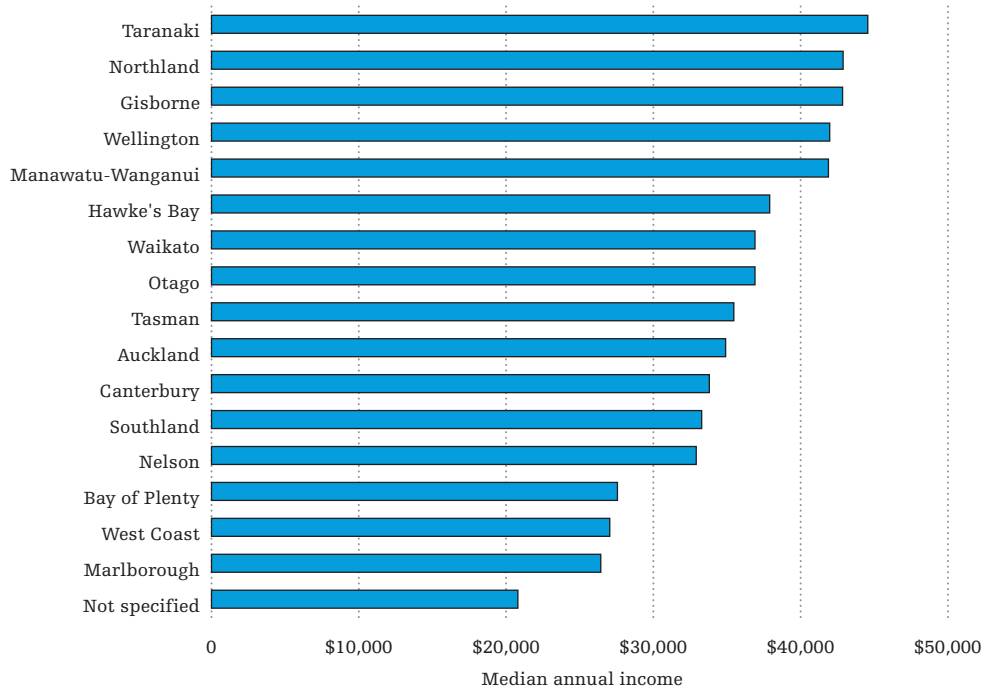
<sup>49</sup> See the Statistics New Zealand Quick Stats about Incomes website <http://www.stats.govt.nz/NR/rdonlyres/FC6F9795-A534-45BC-97DF-F95FBE2C26E9/0/quickstatsaboutincomes.pdf>.



Half of all migrants own assets  
in New Zealand.



Figure 6.5: Median annual income from all sources by New Zealand region



### 6.3 *Sending money overseas*

Seventeen percent of migrants reported sending money overseas to family, friends, a church, or other community groups. A comparison with migrants' rating of the adequacy of their income showed that migrants who reported having enough or more than enough money were more likely to send money overseas than those who reported not having enough money. Pacific category migrants were more likely than other migrants to send money overseas (50 percent had done so compared with 17 percent overall). (See Figure 6.6.)



Figure 6.6: Money sent overseas by immigration approval category

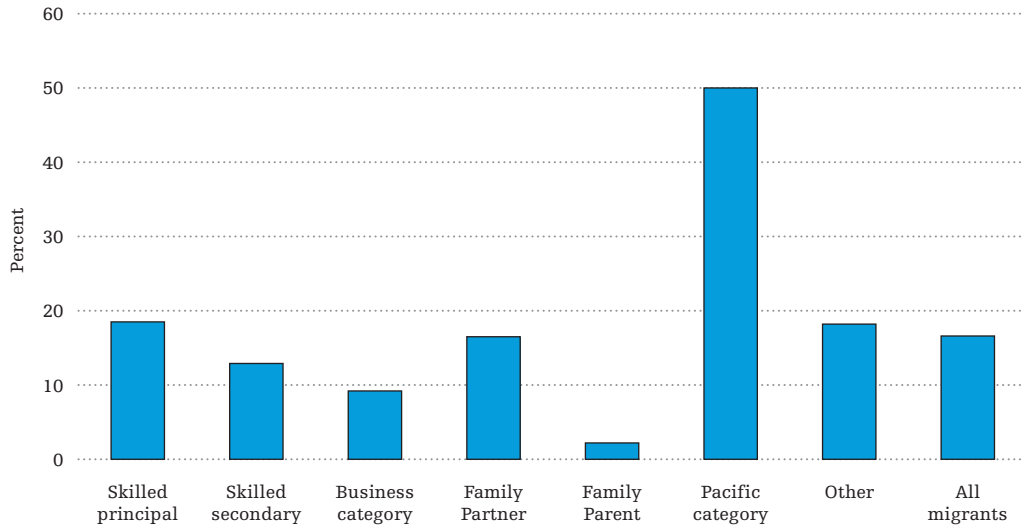
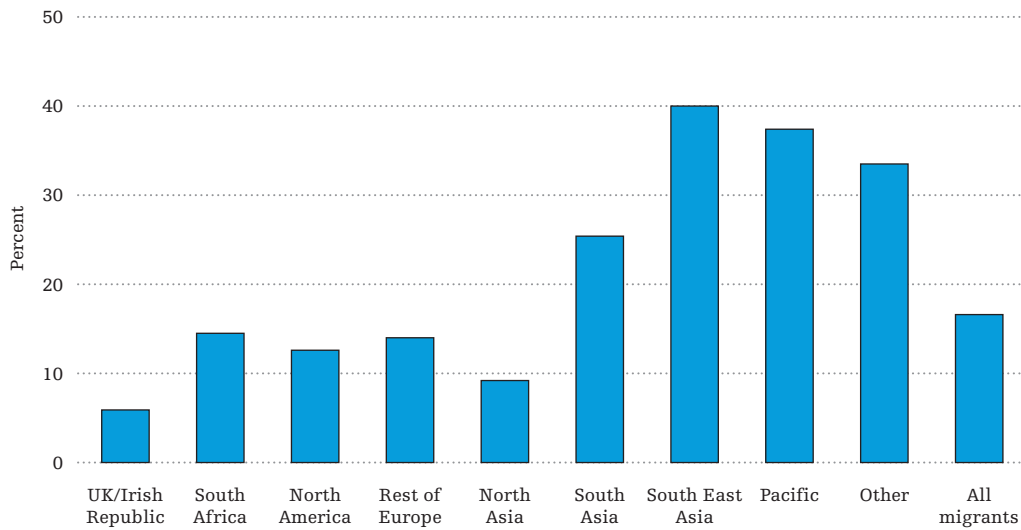


Figure 6.7 shows that migrants from the Pacific, South and South East Asia, and Other regions were significantly more likely to have sent money overseas than migrants from all other regions.

Figure 6.7: Money sent overseas by region of origin



### Feature box 6.1 *Meeting the cost of living in New Zealand*

The less a migrant earned, the more likely they felt unable to meet the cost of living in New Zealand. Thirty percent of migrants felt they did not have enough money to meet the cost of living in New Zealand compared with 16 percent who felt they could not meet the cost of living in their previous country. (See Table 6.2.)

Table 6.2: Ability to meet cost of living in previous country and in New Zealand by immigration approval category

Rating of adequacy of income	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Previous country <sup>1</sup>								
Not enough money	14.8	13.2	7.5	13.0	17.6	38.6	21.9	15.9
Enough money	54.1	55.2	50.0	61.0	68.3	47.0	56.2	56.5
More than enough money	30.9	29.8	42.5	23.9	12.7	4.5	12.3	25.4
Not specified	0.3	1.7	S	2.4	2.0	8.3	9.6	2.3
Total weighted	7,640	6,500	400	4,150	2,050	1,320	1,460	23,530
New Zealand								
Not enough money	25.5	30.6	21.9	32.8	41.3	34.0	36.9	30.0
Enough money	61.5	58.6	63.5	57.4	49.6	55.6	50.5	58.5
More than enough money	12.6	9.1	11.0	8.4	5.7	3.7	6.1	9.7
Not specified	0.2	1.9	3.2	1.4	3.5	6.2	6.1	1.9
Total weighted	12,490	8,470	2,190	7,020	2,300	1,620	2,140	36,220

Note: <sup>1</sup> Includes migrants who were living in their previous country in the two years before residence approval.

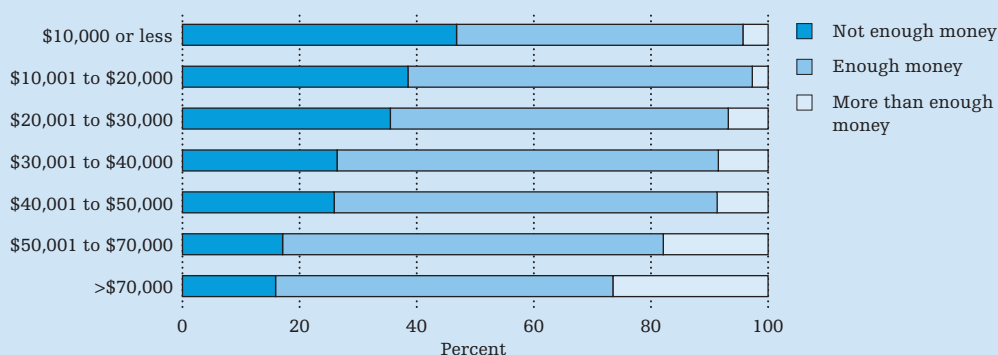
Symbol: S = suppressed for confidentiality reasons.

#### Insights

- Employed migrants who said they did not have enough money to meet their living costs were more dissatisfied with their job (10 percent) than those with enough or more than enough money (3 percent each).
- Less than 1 percent of employed migrants were dissatisfied with life in New Zealand, regardless of how well their income met their needs.
- Pacific category migrants were most likely to report not having had enough money in their previous country (39 percent), with 34 percent reporting they did not have enough money to meet the cost of living in New Zealand.
- Eight percent of migrants used their savings for everyday things, and 3 percent said their savings were their main source of money for everyday things.

Figure 6.8 shows the relationship between migrants' personal level of income in New Zealand and their ability to meet the cost of living. As expected, migrants on lower incomes reported the most difficulty meeting everyday costs. However, results from the LisNZ pilot study showed that migrants' ability to meet the cost of living improves over time, particularly for Skilled and Business migrants.<sup>50</sup>

Figure 6.8: Ability to meet cost of living in New Zealand by income



## 6.4 Government assistance

Nine percent of migrants had received some kind of government assistance (including Working for Families) from Work and Income, the Accident Compensation Corporation, or the Inland Revenue Department since gaining residence. Overall, less than 2 percent of migrants had received a core benefit from Work and Income over that time.<sup>51</sup>

Migrants are not usually entitled to receive core benefits from Work and Income until they have been a resident in New Zealand for two years.<sup>52</sup> However, emergency benefits are available to those who are suffering hardship and ineligible to receive any other benefit.

Supplementary payments from Work and Income, such as the accommodation supplement, the disability allowance, and the childcare subsidy, can be paid with a core benefit to people who are employed, subject to their level of income. Migrants are also entitled to receive financial assistance from the Accident Compensation Corporation and Working for Families tax credits from the Inland Revenue Department.

Skilled principal, Business, and Family Parent migrants were the least likely to have received government assistance in their first six months of residence. Around one in five Pacific category migrants had received some form of government assistance. Of the 9 percent of migrants who had received government assistance, Parent category migrants were the most likely to have received a core benefit. (See Table 6.3.)

<sup>50</sup> Department of Labour. *Migrants' Experiences of New Zealand: Pilot Survey Report*. Wellington: Department of Labour, 2004.

<sup>51</sup> Core Work and Income benefits included: Unemployment Benefit (Hardship); Sickness Benefit (Hardship); Emergency Benefit; Emergency Maintenance Allowance; Student Allowance; and Domestic Purposes Benefit.

<sup>52</sup> Exceptions exist where New Zealand has a reciprocal social security agreement with another country. Such arrangements allow former residents of one country access to certain benefits and pensions under the other country's social security system.

Table 6.3: Government assistance received by migrants since residence uptake by immigration approval category

Government assistance received	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Received payments	6.0	9.3	6.4	12.5	7.0	21.6	14.5	9.3
No payments received	93.8	90.8	92.7	87.6	93.5	77.8	85.5	90.5
Not specified	0.2	S	1.4	S	S	S	S	0.2
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	12,490	8,470	2,190	7,020	2,300	1,620	2,140	36,220

Symbol: S = suppressed for confidentiality reasons.

## 6.5 Asset ownership

Sixty-four percent of all migrants reported owning assets. The proportion of migrants reporting no assets (36 percent) may reflect the age of the migrant population. Fifteen percent of migrants were aged 16–24 and most of these (70 percent) did not own any assets.

Asset ownership and the value of assets owned varied by immigration approval category.<sup>53</sup> Not surprisingly, Business migrants were more likely than other migrants to report ownership of assets worth \$500,000 or more (25 percent) (see Table 6.4). This reflects the requirements of the business immigration policies, particularly the Investor Category, which selects migrants on their financial capacity to invest in New Zealand.

Skilled principal migrants were more likely than other migrants to own assets and, like Business migrants, the value of Skilled migrants' assets was relatively high compared with those of other migrants. Around 30 percent of Skilled migrants (principal and secondary) owned assets worth \$200,000 or more. Pacific category migrants were the least likely to own assets (70 percent owned no assets), and those who did owned assets of relatively low value compared with other migrants.

<sup>53</sup> The asset values refer to gross values and do not take into account respondents' liabilities.

Table 6.4: Total assets owned by migrants at current market value by immigration approval category

Asset value	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Under \$25,001	16.3	12.8	8.2	13.7	10.4	17.9	16.4	14.1
\$25,001–\$50,000	5.1	5.3	S	4.4	2.2	1.9	1.4	4.2
\$50,001–\$75,000	3.0	2.0	S	2.4	2.2	1.9	S	2.3
\$75,001–\$100,000	2.7	1.8	2.7	2.3	4.3	S	2.8	2.4
\$100,001–\$200,000	11.9	12.8	5.5	10.5	5.7	1.9	5.6	10.2
\$200,001–\$500,000	20.2	20.7	12.3	13.8	11.7	1.9	7.5	16.5
\$500,001–\$1,000,000	6.2	5.9	12.3	6.0	4.3	S	2.8	5.9
Over \$1,000,000	3.4	2.6	12.8	3.3	2.6	S	2.8	3.5
No assets	24.7	30.5	37.9	39.6	53.0	69.8	56.5	35.5
Not specified/refused <sup>1</sup>	6.5	5.7	6.8	4.3	3.5	3.1	3.3	5.4
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	12,490	8,470	2,190	7,020	2,300	1,620	2,140	36,220

Note: <sup>1</sup> Includes respondents who did not specify whether they owned assets or did not provide a value for their assets.

Symbol: S = suppressed for confidentiality reasons.

### 6.5.1 New Zealand versus overseas asset ownership

Migrants were more likely to own assets in New Zealand than overseas. This was the case for all categories other than Family Parent migrants, who were more likely to own overseas assets. Half of all migrants said they owned assets in New Zealand and 31 percent said they owned overseas assets.

Migrants were more likely to own property in New Zealand than any other types of assets in New Zealand or offshore. Twenty-eight percent of migrants owned property in New Zealand. Skilled, Business, and Family Partner migrants were the most likely to own property in New Zealand. (See Table 6.5.)

Table 6.5: Asset source and type by immigration approval category

Asset source and type	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
<b>New Zealand</b>	<b>57.9</b>	<b>55.1</b>	<b>49.8</b>	<b>49.7</b>	<b>21.3</b>	<b>21.6</b>	<b>32.7</b>	<b>49.8</b>
Property	29.8	33.8	33.8	32.2	12.6	3.1	14.5	28.2
Financial	29.9	24.1	24.2	19.8	12.2	10.5	13.6	23.3
Other	25.7	22.4	11.9	18.7	6.5	15.4	14.0	20.4
<b>Overseas</b>	<b>37.8</b>	<b>32.6</b>	<b>29.7</b>	<b>25.1</b>	<b>31.7</b>	<b>12.3</b>	<b>19.2</b>	<b>31.1</b>
Property	19.0	16.9	22.4	13.2	25.7	9.9	14.0	17.3
Financial	23.5	21.1	12.8	14.8	10.0	2.5	7.5	17.8
Other	2.2	1.4	S	1.4	3.9	1.9	1.9	1.9
<b>No assets</b>	<b>24.7</b>	<b>30.5</b>	<b>37.9</b>	<b>39.6</b>	<b>53.0</b>	<b>69.8</b>	<b>56.5</b>	<b>35.5</b>
Total weighted	12,490	8,470	2,190	7,020	2,300	1,620	2,140	36,220

Notes: Respondents can own more than one asset type or own assets in more than one source country, so percentages may not add to 100. Financial assets included items such as shares/share options, fixed interest investments, investment trusts, bonds, unit trusts/mutual funds, group investment funds, options and futures, syndicated investments, bonus bonds, and bank savings and deposits.

Symbol: S = suppressed for confidentiality reasons.