

UNEMPLOYMENT RATES

Introduction

Over the last year or two, the unemployment rate has been falling from its high of 7.4% in the second and third quarters of 2012. The seasonally adjusted employment rate for the June 2014 quarter was 5.6%, the lowest it has been since the March 2009 quarter [30]. Unemployment rates are higher for young people and for Māori and Pacific Peoples (compared to European people). Some, but not all, of the higher unemployment rates for Māori and Pacific people can be explained by the younger age structure of the Māori and Pacific populations as unemployment rates for these groups are higher at all ages. After age standardisation (which takes account of the differences in the age structures of the different ethnic populations) Māori and Pacific peoples still have significantly higher unemployment rates than Europeans and these ethnic differences appear to have increased since the recession of 2008–2009 [31].

Parental unemployment can have significant effects on children's wellbeing. It reduces the family's financial resources and may lead to poverty especially if the unemployed parent is the sole breadwinner [32]. The effects of parental unemployment vary depending on the age of the child, whether one or both parents are unemployed and for how long, and whether the negative effects of reduced family income outweigh the positive effects of more time spent with the child. A recent study used data from the British Household Panel Survey (a longitudinal survey which interviews participants annually) for youths aged 11–15 years to assess self-reported happiness with life in relation to parental employment [33]. The results indicated that parental job loss had a positive effect on younger children's overall happiness but a negative or non-significant effect on older children's happiness. A similar German study of 17–25 year olds found that paternal involuntary unemployment and maternal voluntary unemployment both had significant negative effects on sons' subjective wellbeing, but daughters were unaffected by unemployment of either parent due to any reason [34]. A Swedish study used hospitalisation data for children aged 3–18 years in 1992–2007 combined with register data on parental unemployment to determine whether the children of unemployed parents had worse health [35]. It found that the children of unemployed parents were 17% more likely to be hospitalised than other children but that this effect was mostly explainable by the factors associated with unemployment: low parental age, education, and income, immigrant background, parental separation and parental hospitalisation.

The following section uses information from Statistics New Zealand's Quarterly Household Labour Force Surveys to review unemployment rates since 1986.

Data Source and Methods

Indicator

1. *Unemployment Rate: The number of unemployed people expressed as a percentage of the labour force*

Data Source

Statistics New Zealand's Household Labour Force Survey (n≈15,000 households). Quarterly since March 1986 and available on Statistics New Zealand's website www.stats.govt.nz

Notes on Interpretation

Note 1: Unemployed refers to all people in the working-age population who during the reference week were without a paid job, were available for work and:

- (a) had actively sought work in the past four weeks ending with the reference week, or
- (b) had a new job to start within four weeks [36].

Note 2: A person whose only job search method in the previous four weeks has been to look at job advertisements in the newspapers is not considered to be actively seeking work.

Note 3: Seasonal adjustment makes data for adjacent quarters more comparable by smoothing out the effects of any regular seasonal events. This ensures the underlying movements in time series are more visible. Each quarter, the seasonal adjustment process is applied to the latest and all previous quarters. This means that seasonally adjusted estimates for previously published quarters may change slightly [37].

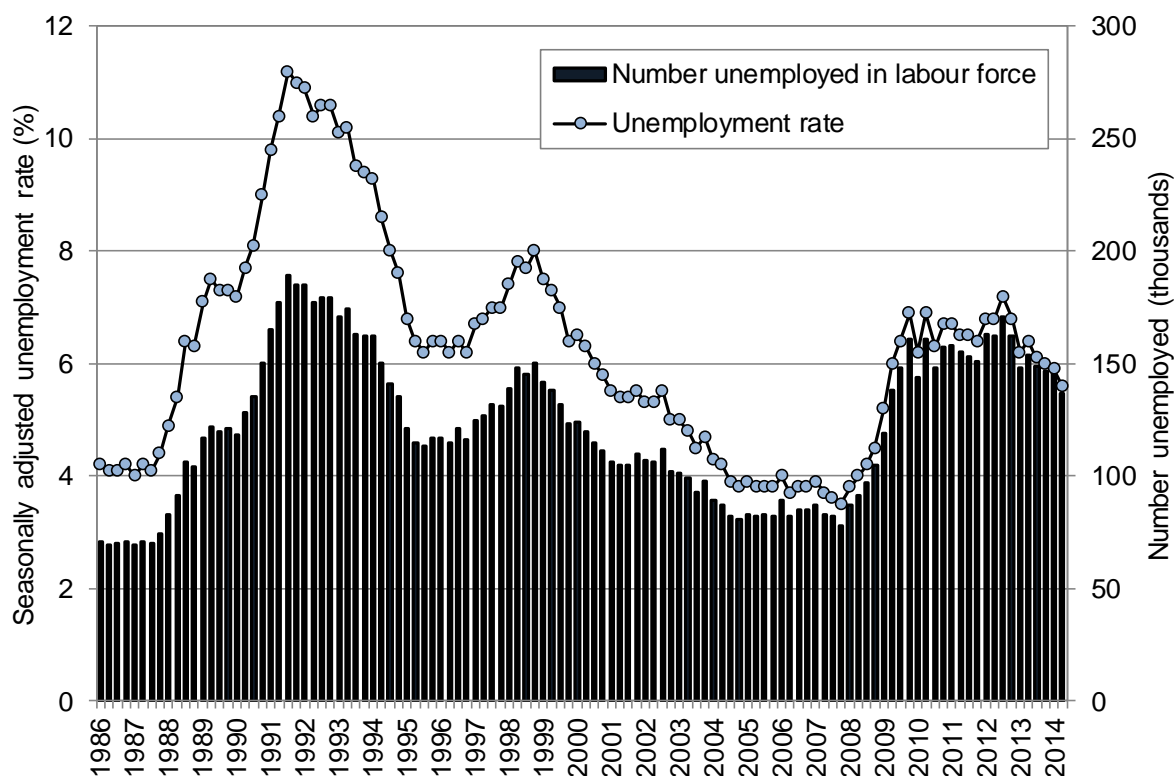


New Zealand Distribution and Trends

Seasonally Adjusted Unemployment Rates

In the quarter ending June 2014, the seasonally adjusted unemployment rate fell to 5.6%, while seasonally adjusted unemployment numbers decreased from 146,000 in the March quarter of 2014, to 137,000 in the June quarter (Figure 1). The number of people employed increased by 10,000 to reach 2,328,000 [38].

Figure 1. Seasonally adjusted quarterly unemployment rates, New Zealand March 1986 to June 2014



Source: Statistics New Zealand, Household Labour Force Survey; Note: Rates have been seasonally adjusted

Unemployment Rates by Age

In New Zealand during June 1987–2014, unemployment rates were consistently higher for younger people aged 15–19 years than other age groups. Rates were lower for each age group, with those aged 45–49 years having the lowest). In the year ending June 2014, annual unemployment rates were 22.5% for those aged 15–19 years and 11.7% for those aged 20–24 years (Figure 2).

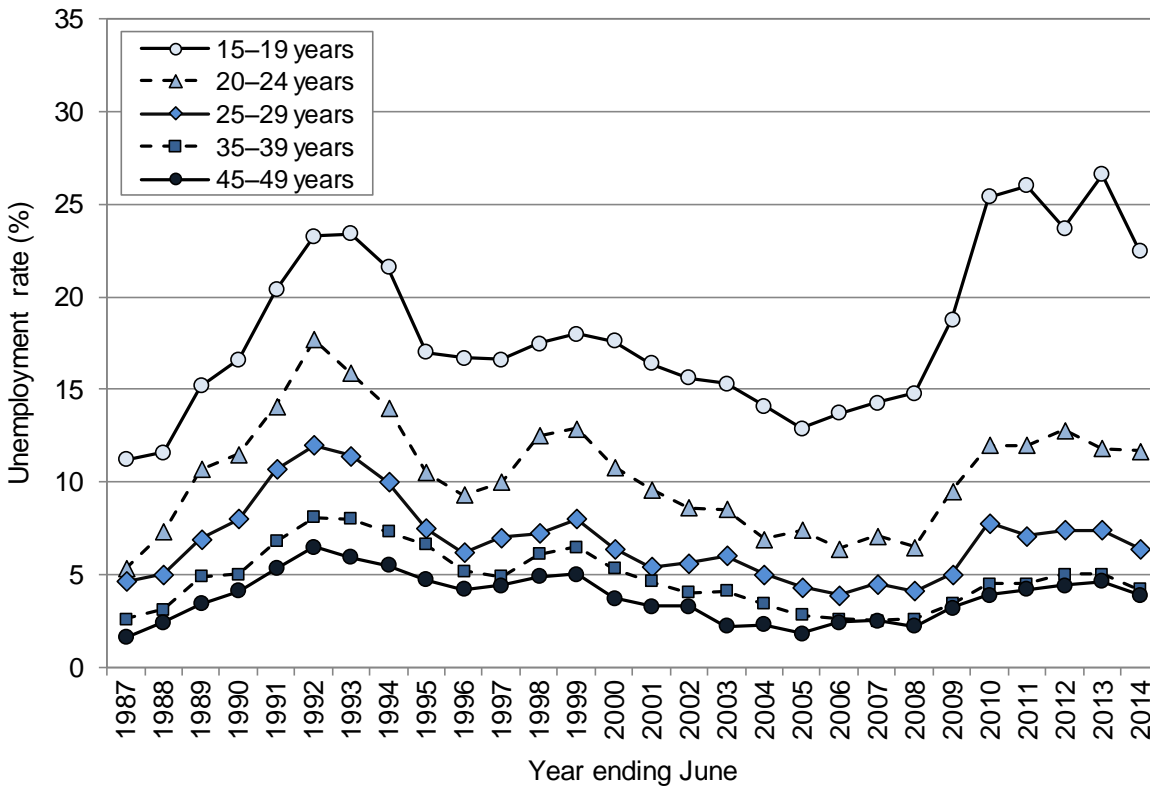
Unemployment Rates by Age and Gender

In New Zealand during June 1987–2014, there were no consistent gender differences in unemployment rates for young people aged 15–24 years. During the year ending June 2014, unemployment rates for those aged 15–19 years were 22.2% for females and 22.8% for males, while for those aged 20–24 years, rates were 12.3% for females and 11.2% for males (Figure 3).

Unemployment Rates by Ethnicity

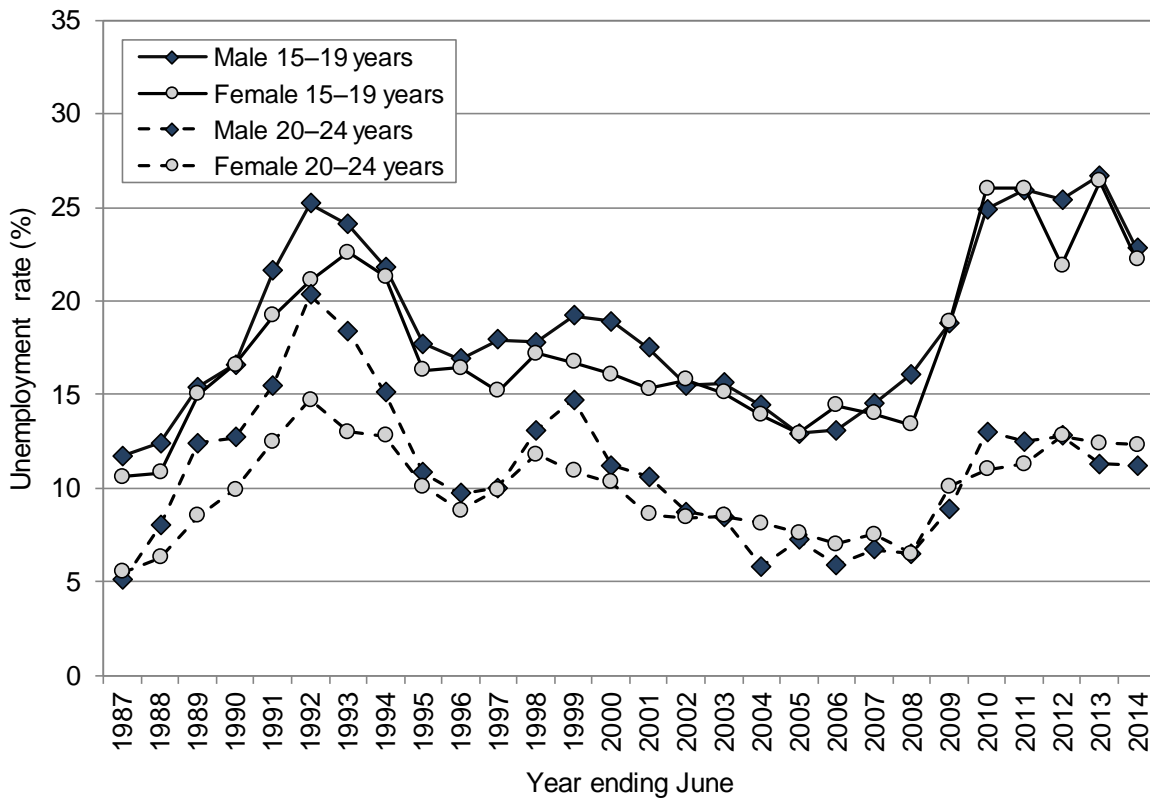
In New Zealand during the period March 2008 to June 2014 unemployment rates were consistently higher for Māori and Pacific people, followed by Asian/Indian and then European people. Unemployment rates increased for all ethnic groups during 2008 and 2009, but were more variable between 2010 and 2014. In the quarter ended June 2014, unemployment rates were 11.4% for Pacific, 11.0% for Māori, 7.3% for Asian/Indian and 4.1% for European people (Figure 4).

Figure 2. Unemployment rates by age (selected age groups), New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey

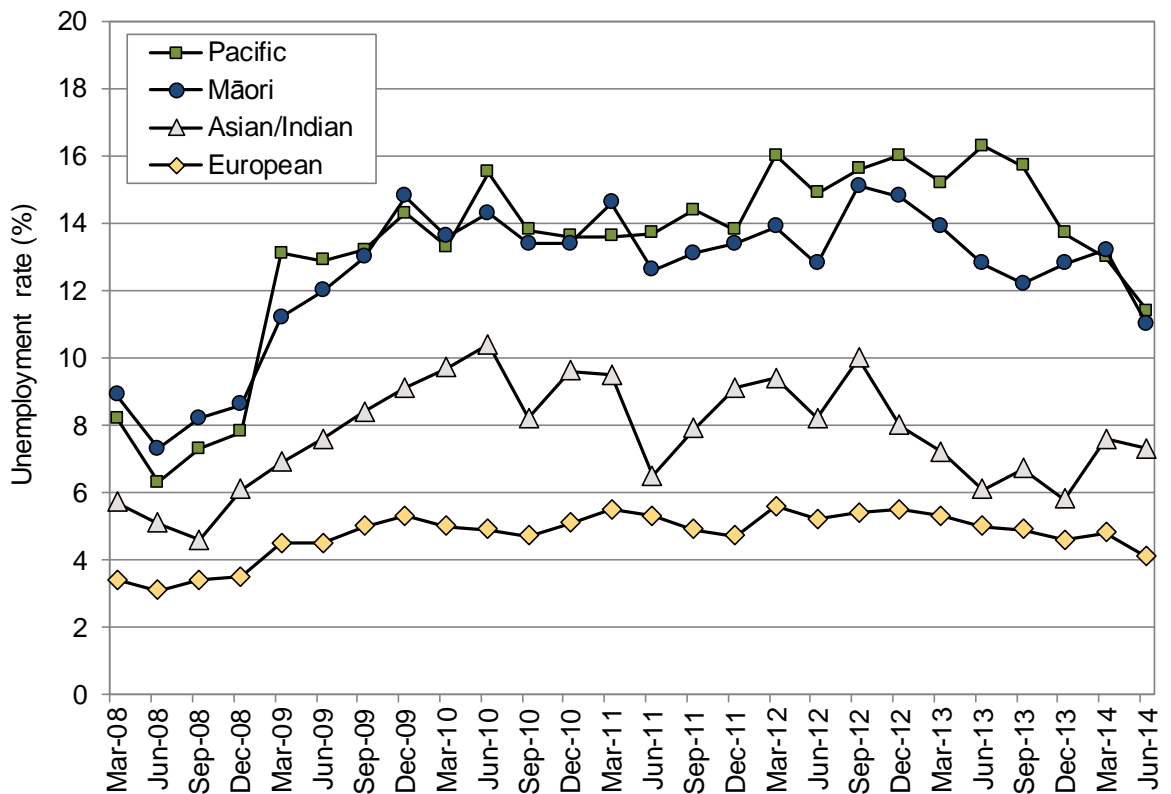
Figure 3. Unemployment rates by age and gender in young people aged 15–24 years, New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey

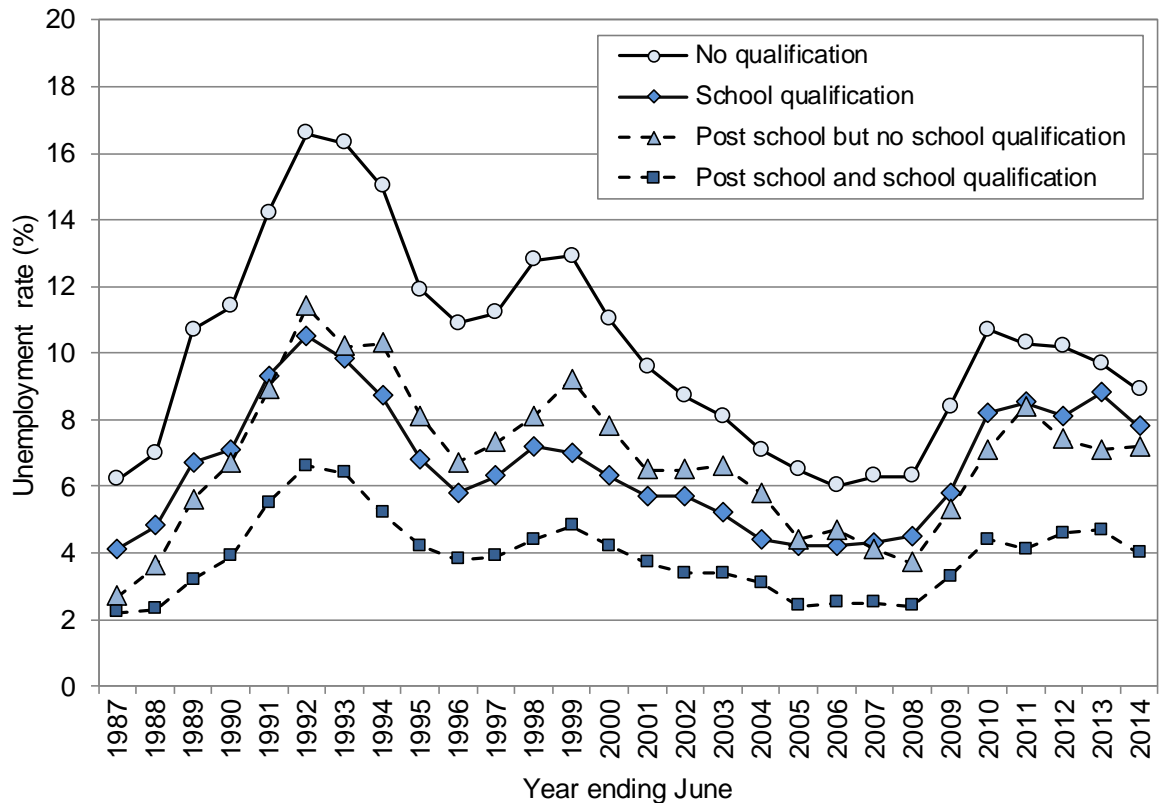


Figure 4. Quarterly unemployment rates by ethnicity, New Zealand March 2008 to June 2014



Source: Statistics New Zealand Household Labour Force Survey; Note: Ethnicity is total response

Figure 5. Unemployment rates by qualification, New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey



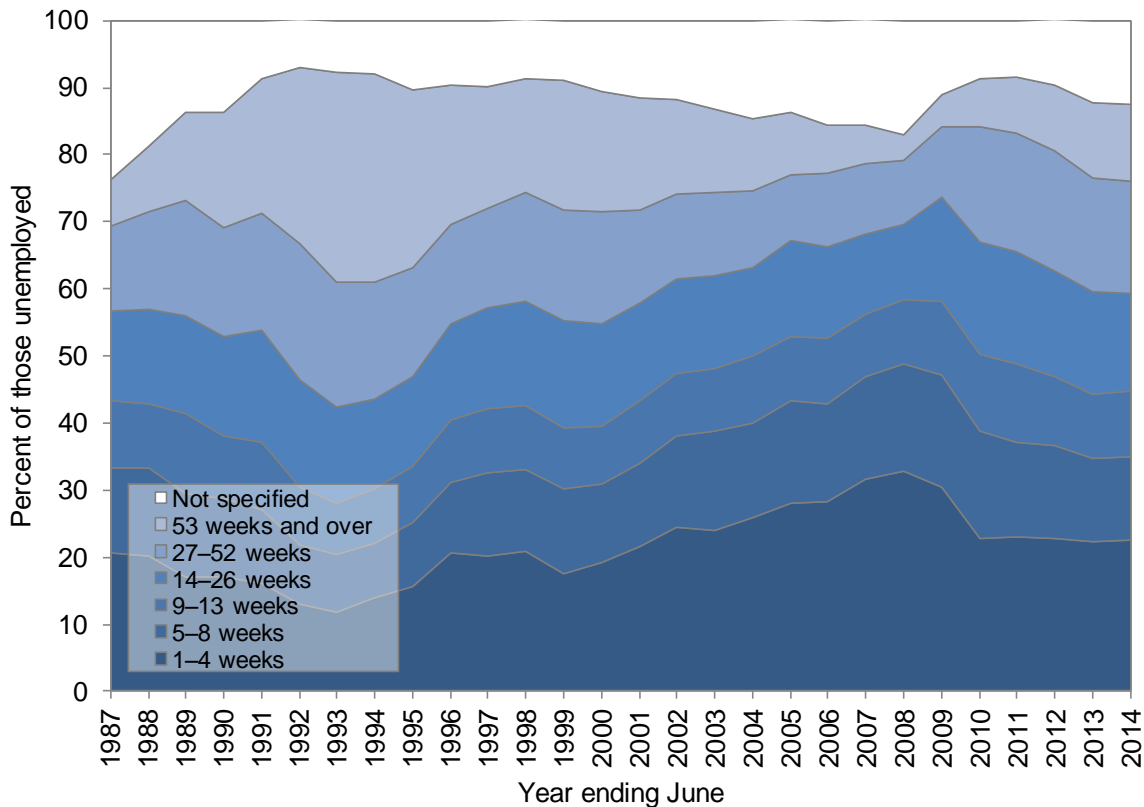
Unemployment Rates by Qualification

In New Zealand during 1987–2014 (years ending 30 June), unemployment rates were highest for those with no qualifications, followed by those with school qualifications, or post school but no school qualifications. Rates were lowest for those with both post school and school qualifications. In the year ended June 2014, unemployment rates were 8.9% for those with no qualifications, 7.8% for those with school qualifications, 7.2% for those with post school but no school qualifications and 4.0% for those with post school and school qualifications (**Figure 5**).

Duration of Unemployment

In New Zealand during 1987–2014 (years ending 30 June), duration of unemployment varied markedly, and in a manner consistent with prevailing unemployment rates. Thus the highest proportion of people unemployed for 53+ weeks occurred during the early to mid-1990s, when unemployment rates were at their peak, while the highest proportion unemployed for only 1–4 weeks occurred in the mid to late 2000s, when unemployment rates were at their lowest (**Figure 6**).

Figure 6. Percentage of those unemployed by duration of unemployment, New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey

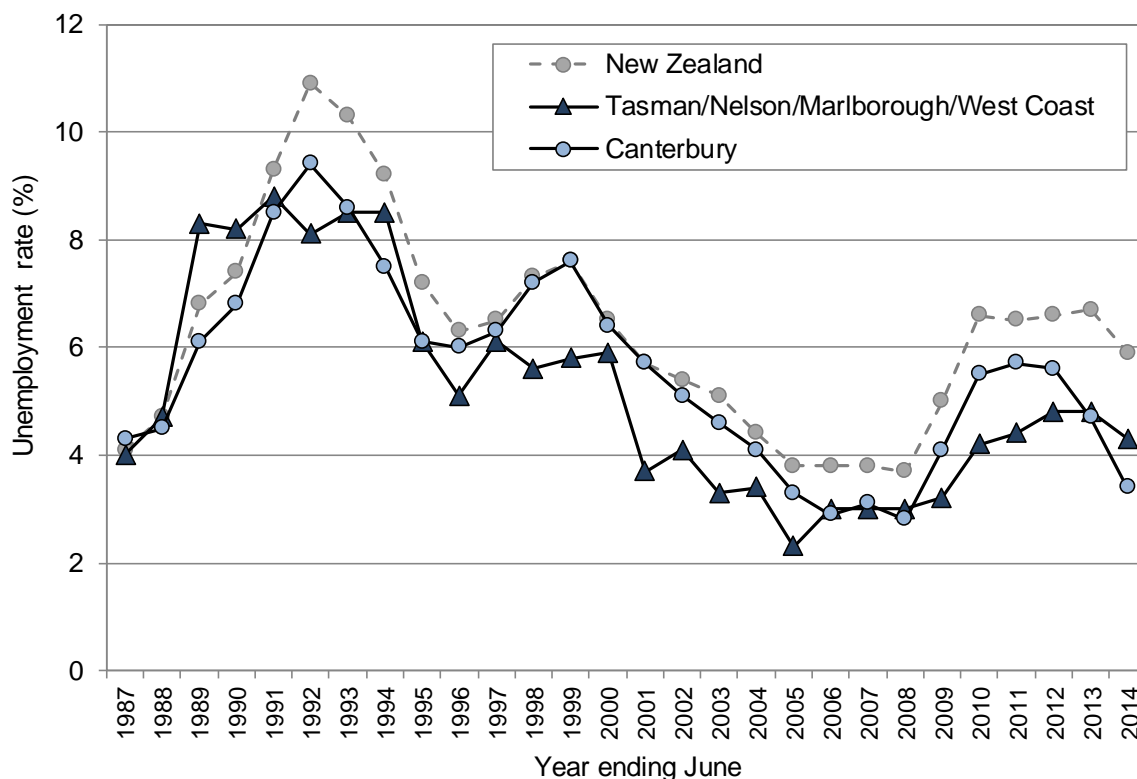
South Island DHBs Distribution and Trends

Annual Regional Unemployment Rates

In the Tasman/Nelson/Marlborough/West Coast, Canterbury, Otago, and Southland regional councils during 1987–2014 (years ending 30 June), unemployment trends were similar to those occurring nationally. In all regions, the highest rates were seen in the early 1990s, while the lowest rates were seen in the mid-2000s (**Figure 7, Figure 8**).

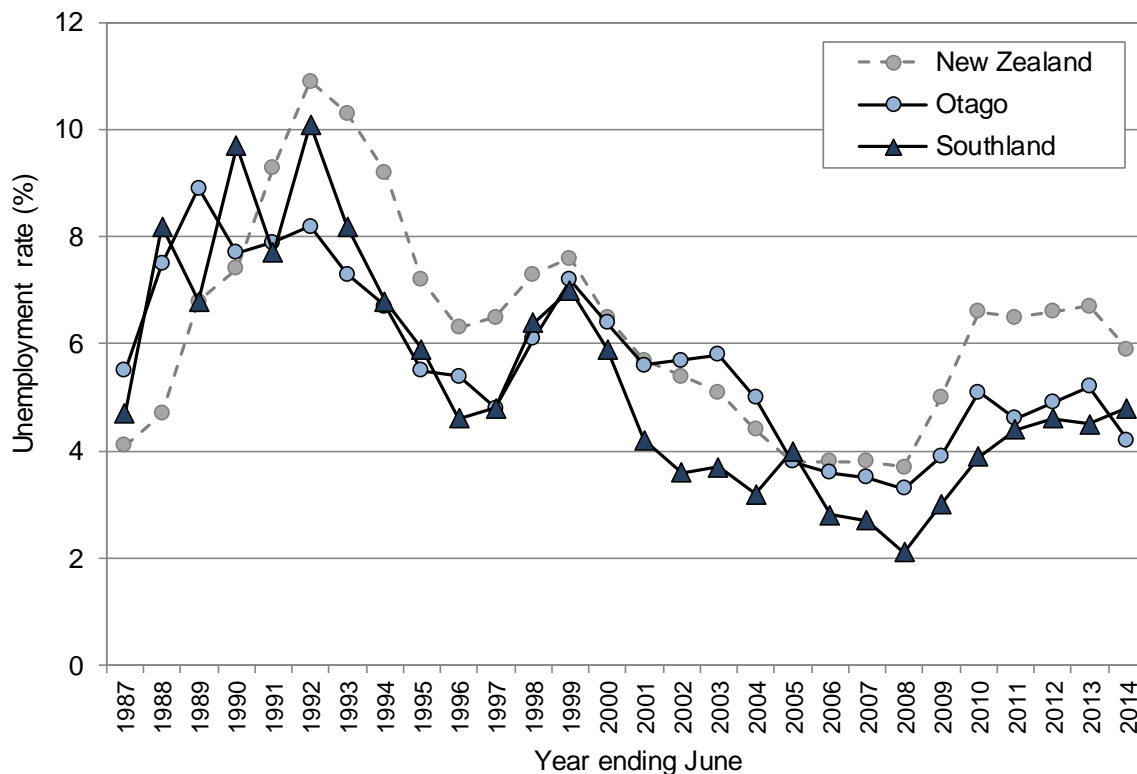


Figure 7. Annual unemployment rates by regional council, Canterbury and the Tasman/Nelson/Marlborough/West Coast regions vs. New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey

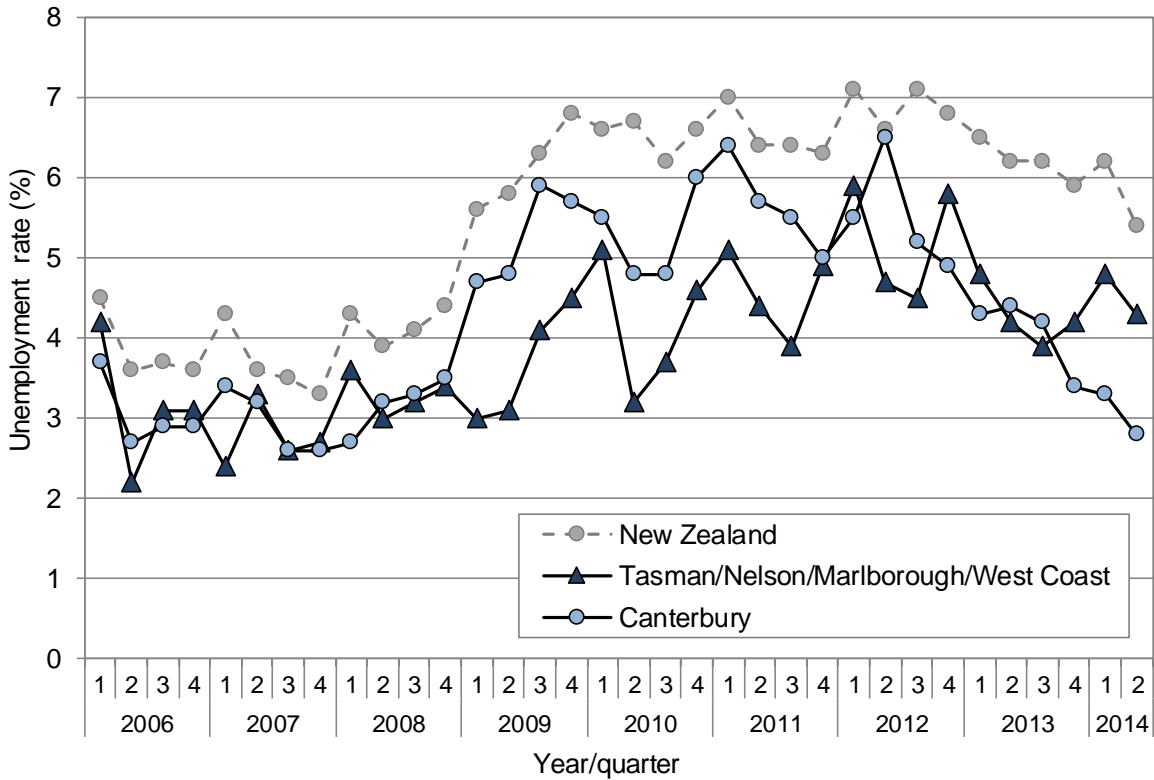
Figure 8. Annual unemployment rates by regional council, Otago and Southland regions vs. New Zealand years ending June 1987–2014



Source: Statistics New Zealand Household Labour Force Survey

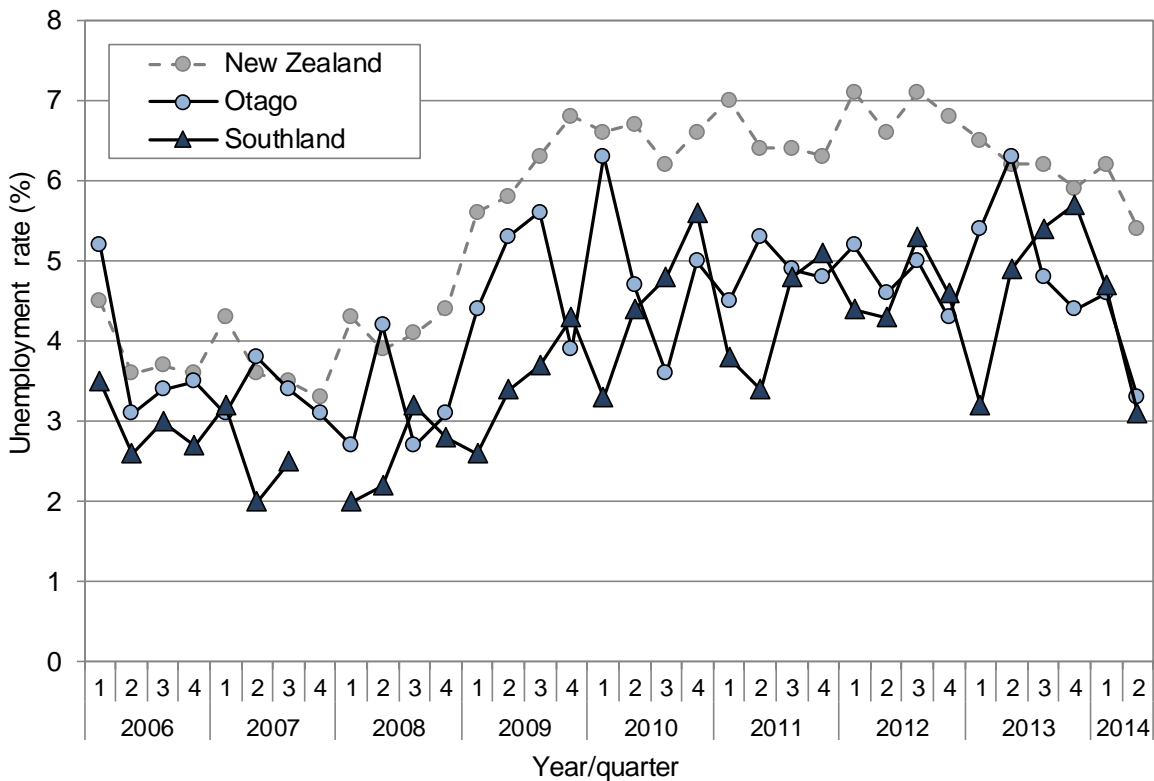


Figure 9. Quarterly unemployment rates by regional council, Canterbury and the Tasman/Nelson/Marlborough/West Coast regions vs. New Zealand March 2006 to June 2014



Source: Statistics New Zealand Household Labour Force Survey

Figure 10. Quarterly unemployment rates by regional council, Otago and Southland regions vs. New Zealand March 2006 to June 2014



Source: Statistics New Zealand Household Labour Force Survey



Quarterly Regional Unemployment Rates

In the Tasman/Nelson/Marlborough/West Coast, Canterbury, Otago, and Southland regional councils during March 2006 to June 2014, there was considerable quarterly volatility in unemployment rates, although trends were generally similar to those occurring nationally. During the 2009(Q2)–2014(Q2) unemployment rates in all four regional councils were generally lower than the New Zealand rate (**Figure 9, Figure 10**).

Local Policy Documents and Evidence-based Reviews Relevant to Unemployment

Error! Reference source not found. on page **Error! Bookmark not defined.** considers local policy documents and evidence based reviews which are relevant to the social policy environment and the socioeconomic determinants of child and youth health.

