

YOUNG PEOPLE RELIANT ON BENEFITS

Introduction

The following section uses data from the Ministry of Social Development's SWIFTT database to explore the number of young people aged 16–24 years who were reliant on a benefit during 2000–2014.

Data Source and Methods

Definition

1. Number of young people aged 16–24 years who were reliant on a benefit

Data Source

Numerator: SWIFTT Database: Number of young people aged 16–24 years who were reliant on a benefit

Denominator: Statistics NZ Estimated Resident Population as at 30 June

Notes on Interpretation

Note 1: All data in this section were provided by the Ministry of Social Development (MSD) and were derived from the SWIFTT database. SWIFTT was developed by the NZ Income Support Service to calculate, provide and record income support payments and related client history [39]. It provides information on the recipients of financial assistance through Work and Income.

Note 2: All figures refer to the number of children reliant on a benefit recipient at the end of June and provide no information on those receiving assistance at other times of the year.

Note 3: Changes were made to the welfare system in July 2013 in which the types of benefits available and the obligations to be met by benefit recipients were modified. Three new benefits (Jobseeker Support, Sole Parent Support, and Supported Living Payment) were introduced, and these replaced many of the previously existing benefits. The welfare reform changes are described at <https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/welfare-reform/july-2013/>

Note 4: The benefits prior to the June 2013 reform are not directly comparable with the benefits as at June 2014.

Prior to 2014, "Other benefits" includes: Domestic Purposes Benefit - Women Alone and Caring for Sick or Infirm, Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training, and Unemployment Benefit Training Hardship, Unemployment Benefit Student Hardship, Widows Benefit, NZ Superannuation, Veterans and Transitional Retirement Benefit. "Other Benefits" does not include Orphan's and Unsupported Child's Benefits, and Non-benefit assistance. From 2014, "Other benefits" include: Emergency Benefit, Youth Payment, Young Parent Payment, Unemployment Benefit Student Hardship, NZ Superannuation, Veterans and Transitional Retirement Benefit.

To be eligible for a benefit, clients must have insufficient income from all sources to support themselves and any dependents and meet specific eligibility criteria. The current eligibility criteria for benefits can be found at <http://www.workandincome.govt.nz/individuals/a-z-benefits/>

New Zealand Distribution and Trends

Number of Young People Reliant on Benefits

In New Zealand during June 2000–2013, there were large fluctuations in the number of young people aged 16–24 years reliant on a benefit (Error! Reference source not found.), with rates falling from 165.1 per 1,000 in June 2000, to 75.5 per 1,000 in June 2007, before increasing again to 117.5 per 1,000 in June 2010. By June 2013, the rate was 97.6 per 1,000 (Error! Reference source not found.). When broken down by benefit type, the largest initial declines were seen for those reliant on an unemployment benefit, with rates falling from 89.9 per 1,000 in June 2000, to 8.6 per 1,000 in 2008, before increasing to 34.3 per 1,000 in 2010. By June 2013 the rate was 24.6 per 1,000. In contrast, the proportion reliant on a domestic purposes benefit declined much more slowly, from 42.1 per 1,000 in June 2000, to 32.9 per 1,000 in 2007, before increasing again to 40.0 in 2011. The proportion reliant on invalid's and sickness benefits, however, increased for the majority of 2000–2013. Thus by June 2013, 13.3 per 1,000 young people were reliant on an invalid's benefit, and 14.7 per 1,000 on a sickness benefit (Error! Reference source not found., **Figure 1**).

In June 2014, following the welfare reform in July 2013, the number of young people reliant on a benefit was 52,663. The majority were reliant on the Jobseeker support, followed by Sole Parent Support (Error! Reference source not found.).

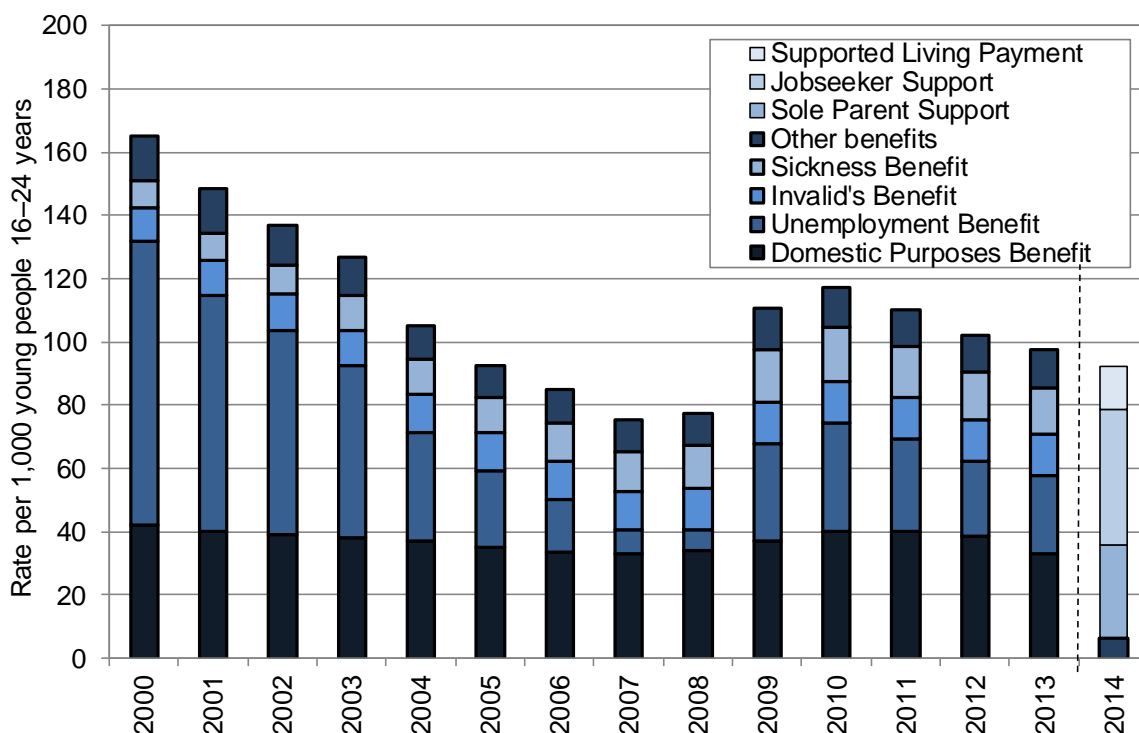


Table 1. Number and proportion of young people aged 16–24 years receiving a benefit by benefit type, New Zealand June 2000–2014

| Year | Unemployment | | | Domestic Purposes | | | Invalid's | | | Sickness | | | Other benefits | | | Total | |
|------|-------------------|------|-------|--------------------------------|------|-------|--------------------------|------|-------|----------|------|-------|----------------|------|-------|--------|--------|
| | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | Rate |
| 2000 | 41,774 | 54.4 | 89.92 | 19,551 | 25.5 | 42.08 | 4,899 | 6.4 | 10.54 | 3,920 | 5.1 | 8.44 | 6,581 | 8.6 | 14.17 | 76,725 | 165.15 |
| 2001 | 35,667 | 50.3 | 74.77 | 19,081 | 26.9 | 40.00 | 5,220 | 7.4 | 10.94 | 4,178 | 5.9 | 8.76 | 6,708 | 9.5 | 14.06 | 70,854 | 148.54 |
| 2002 | 31,785 | 47.5 | 64.94 | 19,039 | 28.4 | 38.90 | 5,493 | 8.2 | 11.22 | 4,594 | 6.9 | 9.39 | 6,031 | 9.0 | 12.32 | 66,942 | 136.77 |
| 2003 | 27,319 | 42.9 | 54.44 | 19,031 | 29.9 | 37.92 | 5,792 | 9.1 | 11.54 | 5,453 | 8.6 | 10.87 | 6,099 | 9.6 | 12.15 | 63,694 | 126.92 |
| 2004 | 17,708 | 32.7 | 34.43 | 19,069 | 35.2 | 37.08 | 6,130 | 11.3 | 11.92 | 5,617 | 10.4 | 10.92 | 5,586 | 10.3 | 10.86 | 54,110 | 105.21 |
| 2005 | 12,837 | 26.4 | 24.37 | 18,512 | 38.0 | 35.15 | 6,324 | 13.0 | 12.01 | 5,820 | 12.0 | 11.05 | 5,162 | 10.6 | 9.80 | 48,655 | 92.37 |
| 2006 | 8,948 | 19.5 | 16.60 | 18,092 | 39.4 | 33.56 | 6,510 | 14.2 | 12.07 | 6,672 | 14.5 | 12.38 | 5,692 | 12.4 | 10.56 | 45,914 | 85.16 |
| 2007 | 4,172 | 10.2 | 7.68 | 17,852 | 43.5 | 32.88 | 6,674 | 16.3 | 12.29 | 6,903 | 16.8 | 12.71 | 5,418 | 13.2 | 9.98 | 41,019 | 75.55 |
| 2008 | 3,644 | 8.6 | 6.66 | 18,545 | 43.9 | 33.92 | 7,144 | 16.9 | 13.07 | 7,404 | 17.5 | 13.54 | 5,480 | 13.0 | 10.02 | 42,217 | 77.21 |
| 2009 | 16,722 | 27.4 | 30.37 | 20,562 | 33.7 | 37.35 | 7,359 | 12.1 | 13.37 | 9,140 | 15.0 | 16.60 | 7,262 | 11.9 | 13.19 | 61,045 | 110.87 |
| 2010 | 19,039 | 29.2 | 34.34 | 22,154 | 34.0 | 39.96 | 7,444 | 11.4 | 13.43 | 9,415 | 14.5 | 16.98 | 7,089 | 10.9 | 12.79 | 65,141 | 117.50 |
| 2011 | 16,374 | 26.6 | 29.33 | 22,320 | 36.2 | 39.98 | 7,432 | 12.1 | 13.31 | 8,794 | 14.3 | 15.75 | 6,727 | 10.9 | 12.05 | 61,647 | 110.43 |
| 2012 | 13,125 | 22.8 | 23.35 | 21,775 | 37.9 | 38.74 | 7,429 | 12.9 | 13.22 | 8,698 | 15.1 | 15.48 | 6,454 | 11.2 | 11.48 | 57,481 | 102.27 |
| 2013 | 13,939 | 25.2 | 24.63 | 18,773 | 34.0 | 33.18 | 7,507 | 13.6 | 13.27 | 8,294 | 15.0 | 14.66 | 6,740 | 12.2 | 11.91 | 55,253 | 97.64 |
| | Jobseeker Support | | | Sole Parent Support (incl EMA) | | | Supported Living Payment | | | | | | Other benefits | | | Total | |
| | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | %* | Rate | No. | Rate |
| 2014 | 24,343 | 46.2 | 42.73 | 16,742 | 31.8 | 29.39 | 7,888 | 15.0 | 13.85 | | | | 3,690 | 7.0 | 6.48 | 52,663 | 92.44 |

Source: Numerator: MSD SWIFTT Database; Denominator: Statistics NZ Estimated Resident Population; Note: %* refers to percent of young people receiving a benefit, rather than percent of all young people; Rate = rate per 1,000 young people aged 16–24 years; EMA = Emergency Maintenance Allowance; For composition of "Other benefits" see Methods box; Non-benefit assistance not included

Figure 1. Young people aged 16–24 years receiving a benefit by benefit type, New Zealand June 2000–2014



Source: Numerator: MSD SWIFTT database; Denominator: Statistics NZ Estimated Resident Population; Note: For composition of "Other benefits" see Methods box; Non-benefit Assistance not included

New Zealand Distribution by Ethnicity

Jobseeker Support

In New Zealand as at June 2014, 42.7 per 1,000 young people were reliant on a Jobseeker support benefit. The Jobseeker Support reliance rate was highest for Māori (84.5 per 1,000 Māori young people), followed by Pacific (39.0 per 1,000 Pacific young people), and 37.1 per 1,000 for European/Other young people (Figure 2).

Sole Parent Support

In New Zealand as at June 2014, 29.4 per 1,000 young people were reliant on Sole Parent Support. The reliance rate was also highest for Māori young people (76.7 per 1,000 Māori young people), followed by Pacific (35.7 per 1,000 for Pacific young people) and 18.1 per 1,000 for European/Other young people (Figure 2).

Supported Living Payment

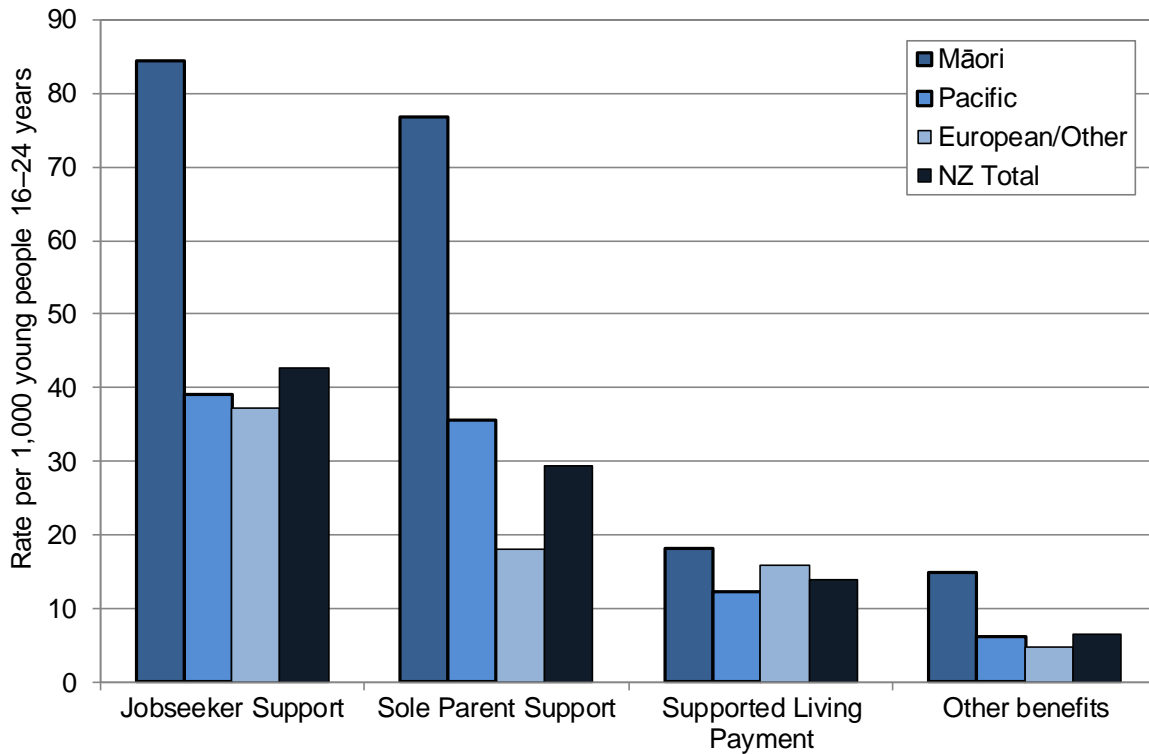
In New Zealand as at June 2014, 13.8 per 1,000 young people were reliant on a Supported Living Payment. The reliance rate was also higher for Māori young people than for Pacific and European/Other young people (Figure 2).

Distribution of Supported Living Payment by Cause of Incapacity

In New Zealand during June 2014, 36.1% of young people receiving a Supported Living Payment benefit required financial support for psychological or psychiatric reasons, while 14.8% required support for intellectual disabilities. An additional 18.9% required support as the result of congenital conditions, and 7.7% as the result of nervous system problems (Figure 3).

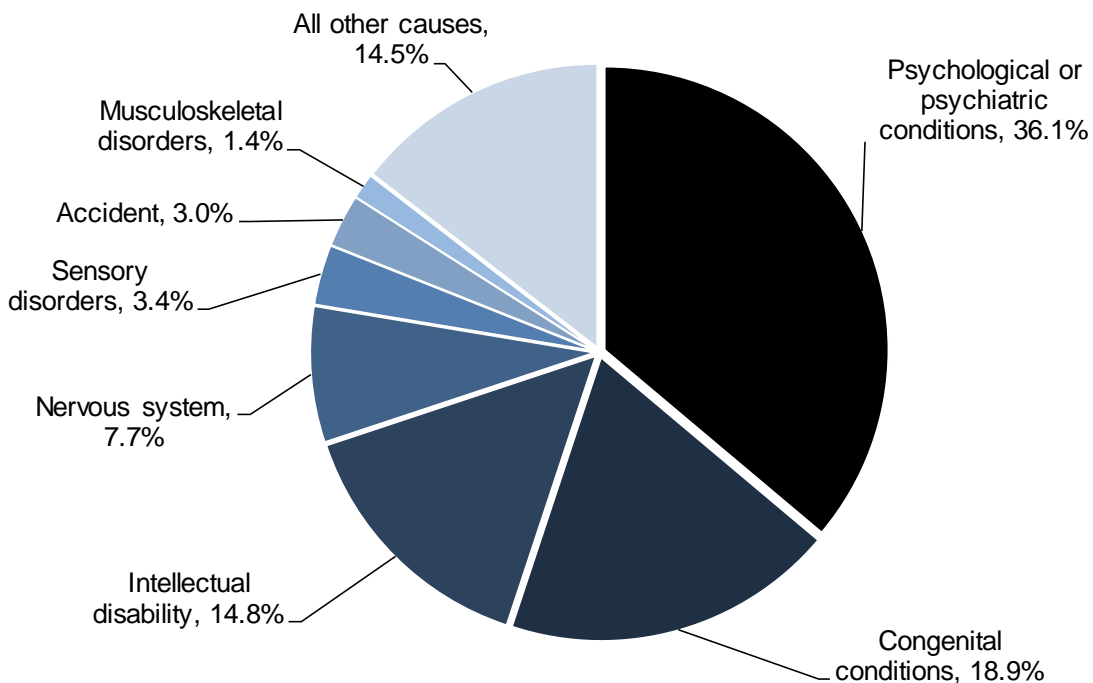


Figure 2. Young people aged 16–24 years receiving benefit by benefit type and ethnicity, New Zealand as at June 2014



Source: Numerator: MSD SWIFTT database; Denominator: Statistics NZ Estimated Resident Population; Note: For composition of “Other benefits” see Methods box

Figure 3. Proportion of young people aged 16–24 years receiving a Supported Living Payment by cause of incapacity, New Zealand June 2014 (n=7,888)



Source: MSD SWIFTT database; Note: Only individuals with medical certificates have a documented cause of incapacity



South Island DHBs Distribution and Trends

Number of Young People Reliant on Benefits

As information on benefit recipients was not able to be mapped by domicile code, it was not possible to provide information on the number of young people resident in the South Island who were reliant on benefits as at June 2014. Information was available, however, on the number of young people receiving benefits from service centres in or adjacent to, the DHB's boundaries (although the lack of a clearly defined denominator precluded the calculation of rates).

At the end of June 2014, 1,218 Nelson Marlborough, 411 South Canterbury, 3,483 Canterbury, 338 West Coast, and 2,855 Southern young people aged 16–24 years were reliant on a benefit and received their benefit from a service centre in the DHB's catchment. While Jobseeker Support was the most common benefit received in most DHBs, a considerable number of young people were receiving Sole Parent Support (including the Emergency Maintenance Allowance), with a smaller number receiving the Supported Living Payment (**Table 2**).

Table 2. Number of young people aged 16–24 years receiving a benefit by benefit type, for service centres in the South Island DHBs' catchments, June 2014

| DHB | Jobseeker Support | | Sole Parent Support/EMA | | Supported Living Payment | | Other main benefits | | Total |
|--------------------|-------------------|------|-------------------------|------|--------------------------|------|---------------------|-----|-------|
| | No. | %* | No. | %* | No. | %* | No. | %* | |
| Nelson Marlborough | 613 | 50.3 | 372 | 30.5 | 227 | 18.6 | 6 | 0.5 | 1,218 |
| South Canterbury | 165 | 40.1 | 157 | 38.2 | 88 | 21.4 | 1 | 0.2 | 411 |
| Canterbury | 1,393 | 40.0 | 1,188 | 34.1 | 875 | 25.1 | 27 | 0.8 | 3,483 |
| West Coast | 206 | 60.9 | 91 | 26.9 | 39 | 11.5 | 2 | 0.6 | 338 |
| Southern | 1,624 | 56.9 | 760 | 26.6 | 458 | 16.0 | 13 | 0.5 | 2,855 |
| Total South Island | 4,001 | 48.2 | 2,568 | 30.9 | 1,687 | 20.3 | 49 | 0.6 | 8,305 |

Source: MSD SWIFTT database; Note: * Percent refers to percent of young people receiving a benefit, rather than percent of all young people; EMA is Emergency Maintenance Allowance; For composition of "Other benefits" see Methods box; Non-benefit assistance not included; Service centres include: *Nelson Marlborough*: Blenheim, Motueka, Nelson, Nelson Region Processing Unit, Richmond; *South Canterbury*: Timaru; *Canterbury*: Actionworks, Ashburton, Hornby, Kaiapoi, Linwood, New Brighton, Papanui, Rangiora, Riccarton, Shirley, Sydenham; *West Coast*: Greymouth, Westport; *Southern*: Alexandra, Balclutha, Dunedin Central, Mosgiel, Oamaru, South Dunedin, Gore, Invercargill, Queenstown

Local Policy Documents and Evidence Based Reviews Relevant to the Economic Environment for Young People

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.

