Monthly Labour Market Fact Sheet — November 2020

This monthly fact sheet summarises highlights from the latest labour market information, including changes since the start of the COVID-19 Alert Levels. It focusses on the most recent changes and complements MBIE’s Labour Market Statistics Snapshot, 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.

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

Overview

Headline statistics

<table>
<thead>
<tr>
<th>Measures</th>
<th>Sep-19</th>
<th>Dec-19</th>
<th>Mar-20</th>
<th>Jun-20</th>
<th>Sep-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>2,703,000</td>
<td>2,711,000</td>
<td>2,740,000</td>
<td>2,731,000</td>
<td>2,709,000</td>
</tr>
<tr>
<td>— Wages or Salaried</td>
<td>2,369,400</td>
<td>2,393,900</td>
<td>2,391,600</td>
<td>2,346,400</td>
<td>2,337,200</td>
</tr>
<tr>
<td>— Self-employed</td>
<td>300,400</td>
<td>313,600</td>
<td>330,000</td>
<td>345,800</td>
<td>336,300</td>
</tr>
<tr>
<td>Employment Rate</td>
<td>67.7%</td>
<td>67.5%</td>
<td>67.7%</td>
<td>67.1%</td>
<td>66.4%</td>
</tr>
<tr>
<td>Underutilisation</td>
<td>303,000</td>
<td>294,000</td>
<td>308,000</td>
<td>354,000</td>
<td>392,000</td>
</tr>
<tr>
<td>— Unemployment</td>
<td>118,000</td>
<td>116,000</td>
<td>120,000</td>
<td>114,000</td>
<td>151,000</td>
</tr>
<tr>
<td>— Underemployment</td>
<td>94,000</td>
<td>91,000</td>
<td>93,000</td>
<td>127,000</td>
<td>135,000</td>
</tr>
<tr>
<td>— Potential Jobseekers</td>
<td>90,900</td>
<td>86,500</td>
<td>94,600</td>
<td>113,700</td>
<td>105,400</td>
</tr>
<tr>
<td>Underutilisation Rate</td>
<td>10.4%</td>
<td>10.1%</td>
<td>10.4%</td>
<td>12.0%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.2%</td>
<td>4.1%</td>
<td>4.2%</td>
<td>4.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Not in the Labour Force</td>
<td>1,171,000</td>
<td>1,188,000</td>
<td>1,185,000</td>
<td>1,223,000</td>
<td>1,218,000</td>
</tr>
<tr>
<td>Youth Not in Employment, Education or Training (NEET)</td>
<td>72,000</td>
<td>77,000</td>
<td>93,000</td>
<td>83,000</td>
<td>82,000</td>
</tr>
<tr>
<td>NEET Rate</td>
<td>10.9%</td>
<td>11.8%</td>
<td>14.1%</td>
<td>12.6%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Average Hours Worked</td>
<td>38.60</td>
<td>38.66</td>
<td>38.63</td>
<td>37.43</td>
<td>38.21</td>
</tr>
</tbody>
</table>

Labour Market Statistics, Stats NZ (Data to September 2020, next release on 03/02/2021)

The recent story

The effects of COVID-19 and Alert Level economic restrictions continue to affect New Zealand’s labour market, with women faring worse than men across key labour market measures. The overall unemployment rate saw a record rise to 5.3 per cent in the September 2020 quarter, with many people starting to actively seek work after the end of the COVID-19 lockdowns. Employment also fell over the quarter, with significant job losses in key tourism-related industries.

During April, the number of people receiving Jobseeker Support Work-Ready benefits increased markedly and filled jobs fell by a record 1.6 per cent. From May onwards the number of filled jobs rebounded and monthly changes are now within the usual historic patterns, although annual growth remains below that of recent years. The number of benefit recipients has continued to grow slowly, although the number of people receiving the COVID-19 Income Relief Payment fell to 9,000 in late October from a peak of 24,800 in late August. The number of advertised job vacancies has continued to fall, but the reductions from June onwards have been far lower than in April and May.

It is likely that the COVID-19 Wage Subsidy supported employment levels by allowing businesses to keep paying their staff during lockdown. The original Wage Subsidy peaked in late May, covering 1.66 million jobs; the Wage Subsidy Extension peaked in late July, covering 480,000 jobs; and the Resurgence Wage Subsidy peaked in early September, covering 230,000 jobs. Although the wage subsidy schemes are concluding, filled job levels have not shown any change as yet.
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. While jobs numbers are continuing to grow annually (unlike in 2009-10 during the Global Financial Crisis), the overall annual growth remains below recent years.
Filled jobs growth by industry

Filled jobs growth by region

Monthly Economic Indicator - Filled Job Series, Stats NZ (Data at September 2020, next release on 30/11/2020)
Benefit Recipients

Benefits are primarily a measure of how many people require income support rather than a measure of unemployment, but since 2008 the number of Jobseeker Support recipients has mostly tracked in line with the number of unemployed individuals. Measuring all working-age main benefits covers additional circumstances in which someone could need extra income and is a better proxy for the underutilisation rate, which is a more useful measure of “slack” in the labour market than unemployment alone.

![Number of main benefit recipients](image1)

*Working-age main benefits, MSD (Data to 30/10/2020, released every Friday)*

![Weekly new recipients and cancellations of Jobseeker Support](image2)

*Working-age main benefits, MSD (Data to 30/10/2020, released every Friday)*

![Jobseeker benefit recipients by region](image3)

*Working-age main benefits, MSD (Data to 30/10/2020, released every Friday)*
Wage Subsidy

The COVID-19 Wage Subsidy and Leave Payment Scheme was introduced to assist businesses in paying 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, and a Resurgence Wage Subsidy payment was available for the last two weeks in August when Auckland was placed at Alert Level 3 and the rest of the country moved back into Alert Level 2.

![Number of jobs supported by wage subsidy schemes](image)

Proportion of jobs supported by wage subsidy schemes

![Proportion of jobs supported by wage subsidy schemes](image)

COVID-19 evidence, MSD (Data as at 24/07/20)
Job Vacancies

The number of jobs advertised online on major job boards can be used as a proxy for job vacancies, a key indicator of both labour demand and economic change. However, because of different hiring practices and changes in the rate of worker churn within industries, the relationship between online job advertisements and labour demand is complex.

Annual change in online job advertising

Jobs Online, MBIE (Data to September 2020, next release 13/11/2020)

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

Jobs Online, MBIE (Data to September 2020, next release 13/11/2020)

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

Jobs Online, MBIE (Data to September 2020, next release 13/11/2020)
Data sources

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. HLFS data is also used to compare 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 (MSD)


Jobs Online | Ministry of Business, Innovation and Employment (MBIE)


Previous editions


Contact us

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

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