

# EMPLOYMENT

## Why is this important?

**Employment plays an important role in wellbeing. For most people, income from paid work is the main factor determining their material standard of living. Wage and salary income makes up almost 70 percent of total income received by the working-age population of New Zealand (15 years and over).<sup>1</sup> Income saved during their working life contributes to the standard of living of many retired people.**



The social and personal dimensions of paid work are both important. Ideally, work should not only be materially rewarding but it should contribute to other aspects of wellbeing. Meeting challenges at work can contribute to a sense of satisfaction and self-worth. Paid work is more likely to be satisfying where people can find employment to match their skills and abilities.

Four important aspects of paid work which can influence the wellbeing of individuals are:

1. access to work,
2. the financial return from work,
3. the safety of the working environment, and
4. the balance between work and other areas of life.

There is a strong and well established link between unemployment and health. Unemployment causes poor health, and poor health increases the probability of unemployment.<sup>2</sup> In New Zealand, unemployment has been associated with self-harm<sup>3</sup> and suicide,<sup>4</sup> and with significantly increased risks of mental health problems, suicidal tendencies and criminal behaviour.<sup>5</sup>

## Data

Unemployment rates in Christchurch have fluctuated over the last twenty years, ranging between a low of 2.8 per cent in 2006 and a high of 10.2 per cent in 1991. These fluctuations generally follow regional and national trends and seasonal variations also occur during any given year. Figure 1 overleaf shows unemployment trends for Christchurch and New Zealand from June 2004 – June 2012.

<sup>1</sup> Statistics New Zealand. 2011. NZ Income Survey June 2011 Quarter. [http://www.stats.govt.nz/browse\\_for\\_stats/income-and-work/Income/NZIncomeSurvey\\_HOTPJun11qtr/Commentary.aspx](http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/NZIncomeSurvey_HOTPJun11qtr/Commentary.aspx) Accessed 20.09.12

<sup>2</sup> Schuring, M., Mackenbach, J., Voorham, T., Burdorf, A. 2010. The effect of re-employment on perceived health. *Journal of Epidemiology and Community Health*; 65: 639-661.

<sup>3</sup> Keefe, V., Reid, P., Ormsby, C., Robson, B., Purdie, G., Baxter J., Ngāti Kahungunu Iwi Incorporated. 2002. Serious health events following involuntary job loss in New Zealand meat processing workers. *International Journal of Epidemiology*; 31: 1155-1161.

<sup>4</sup> Blakeley, T.A., Collings, S.C.D., Atkinson, J. 2003. Unemployment and suicide: evidence for a causal association? *Journal of Epidemiology and Community Health*; 57: 594-600.

<sup>5</sup> Ferguson, D., Poulton, R., Horwood, J., Milne, B., Swain-Campbell, N. 2003. Comorbidity and coincidence in the Christchurch and Dunedin Longitudinal Studies. Report for the New Zealand Ministry of Social Development, the Department of Labour and the Treasury. Christchurch: University of Otago. <http://www.otago.ac.nz/christchurch/otago014857.pdf> Accessed 20.09.12.

**Figure 1 Unemployment Rate, Canterbury and New Zealand, June 2004 to June 2012**

Figures from Statistics New Zealand's Household Labour Force Survey for the June 2011 quarter and June 2012 quarter are shown in Table 1 below.

**Table 1 Unemployment Rate by Ethnicity, June 2011 and June 2012 Quarters<sup>6</sup>**

Ethnic Group	Unemployment (%) 2011	Unemployment (%) 2012
Overall unemployment rate all groups	6.5	6.8
European	4.7	5.2
Māori	13.7	12.8
Pacific Peoples	13.1	14.9
Asian	6.1	8.2
Middle Eastern/Latin American/African	12.1	11.5

Unemployment was higher overall in the June 2012 quarter compared with the June 2011 quarter and had also increased in the European, Pacific and Asian ethnic groups, and decreased in the Māori, Middle Eastern/Latin American/African ethnic groups.

### **Impact on inequalities**

The young, minorities and older persons are more likely to be unemployed or under-employed compared to the general population. Māori and Pacific people's rates of unemployment in the 2006 census were almost double the unemployment rate for Christchurch overall.

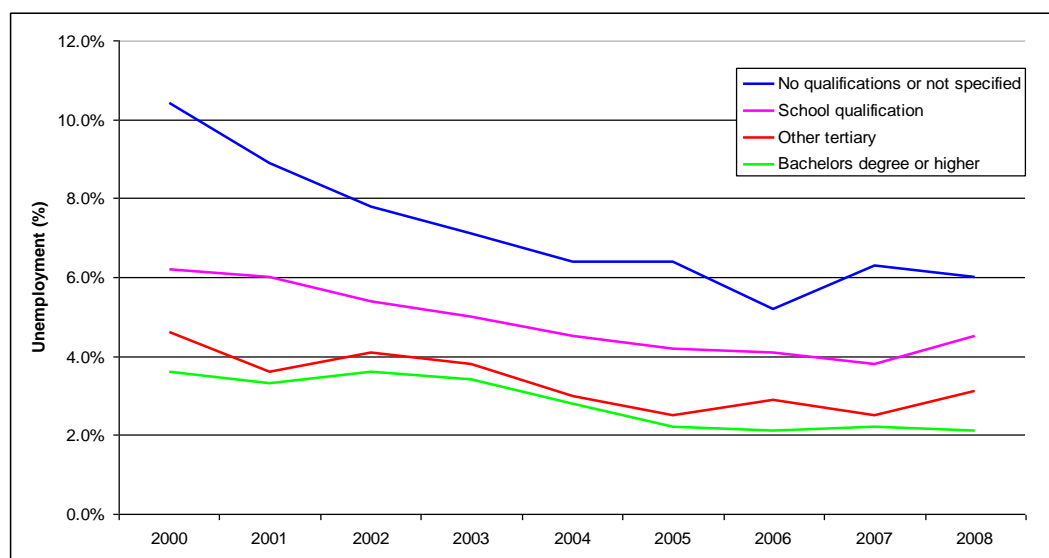
Generally, for New Zealand, those who are less educated have higher rates of unemployment than those with school or other qualifications as shown in Figure 2 overleaf.

Data from the Christchurch Health and Development Study and the Dunedin Multidisciplinary Health and Development Study<sup>7</sup> showed that the odds of unemployment, particularly prolonged unemployment (more than six months), were significantly higher among those with limited educational achievement. The same studies also showed that young males were more likely to be unemployed than young females.

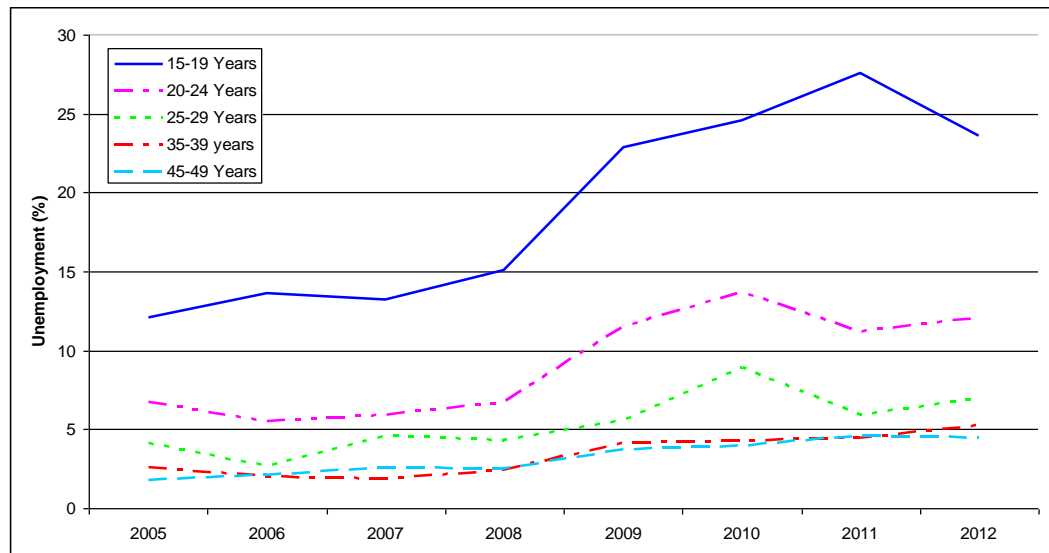
<sup>6</sup> Statistics New Zealand. 2012. Household labour force survey – Information releases.

[http://www.stats.govt.nz/browse\\_for\\_stats/income-and-work/employment\\_and\\_unemployment/household-labour-force-survey-info-releases.aspx](http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/household-labour-force-survey-info-releases.aspx) Accessed 20.09.12.

<sup>7</sup> Ferguson, D., Poulton, R., Horwood, J., Milne, B., Swain-Campbell, N. 2003. Op. cit.

**Figure 2 National Unemployment Rate by Highest Qualification, 2000 to 2008<sup>8</sup>**

Age is also a factor in employment rates. Overall in New Zealand, the 15 to 19 year old age group had a much higher unemployment rate, with a 25-year high in 2011 of 27.6% of the group unemployed. The unemployment rate has been lowest for those between 35 and 49 years of age. Figure 3 below shows the relative rates in unemployment over a range of age groups between 15 and 49 years of age.

**Figure 3 National Unemployment Rates 2005 to 2012, 15 to 49 years of age<sup>9</sup>**

Unemployment during working life also disadvantages people into older age. Retirees with prolonged periods of unemployment have been found to have worse mental health and lower life satisfaction.<sup>10</sup> Unemployment is also associated with low life-time earnings, less housing security, and more functional decline as people age (see Age Friendly City issue paper).

<sup>8</sup> Ministry of Education. 2009. Education Counts – unemployment rate by highest qualification. [http://www.educationcounts.govt.nz/statistics/tertiary\\_education/life\\_after\\_study](http://www.educationcounts.govt.nz/statistics/tertiary_education/life_after_study) Accessed 20.09.12.

<sup>9</sup> Statistics New Zealand. 2012. Op. cit.

<sup>10</sup> Zenger, M., Brähler, E., Berth, H., Stöbel-Richter, Y. 2011. Unemployment during working life and mental health of retirees: Results of a representative survey. *Aging and Mental Health*; 15:178-85.

People with disabilities experience difficulties gaining employment, and Māori with disabilities experience even greater difficulties than non-Māori with disabilities.

### Solutions

Employment is linked to education. Time spent in early childhood education (ECE) enhances future learning. Noticeable effects can still be seen at age 14 in scores for literacy and numeracy, and in school engagement. When linked to a number of other variables including socioeconomic mix, maternal qualification and ECE centre teachers being responsive to children, duration of ECE makes up a component of the overall contribution to children's achievement.<sup>11</sup>

For groups in which there is a higher proportion of school leavers, programmes focused on providing a greater proportion of the group with at least a secondary education may help to reduce unemployment rates.

Employment is related to health status. A study across 11 European countries suggested that tackling the underlying causes of chronic disease such as obesity, smoking, and problem alcohol use may increase employment opportunities for those people who exit the workforce prematurely because of ill health.<sup>12</sup> Re-employment after a period of unemployment has been found in some studies to be followed by an improvement in self-rated general health, physical functioning, social functioning, vitality, mental health, and bodily pain.<sup>13</sup>

Fluency in English may be a barrier for some ethnic groups so provision of English proficiency training may aid in reducing unemployment within these groups.

For those on Domestic Purpose, Widows or Invalids Benefits or Emergency Maintenance Allowance, a Training Incentive Allowance is available from Work and Income. Assistance may also be available to some beneficiaries who are undertaking level 4 or above tertiary study. A number of other support programmes are offered by Work and Income including the Youth Training Programme, career guidance, the Straight 2 Work programme, Taskforce Green programme and others.

### Connections with other issues

Education, Food Security, Fuel Poverty, Housing Affordability, Household Overcrowding, Income, Mental Health, Migrant and Refugee Support, Satisfaction with Leisure Time.

### Impact of the earthquakes

*As time passes and these papers are updated the initial sections on the impact of the earthquake are going to be kept as an archive of what we thought the situation was at the time. Updates are provided where possible.*

#### As at March 2013

Data from the Household Labour Force Survey and the Quarterly Employment survey in December 2012 have shown that the earthquakes have continued to have a large effect on the labour market in the Canterbury region.

In this period part-time employment fell nearly 10% and employment for youth (people aged 15-24) also fell particularly due to the drop in the retail trade and hospitality industry where 40% of youth are employed. The total hours worked and hours paid also fell within the Canterbury region when, nationally, both hours worked and hours paid rose. The labour force also shrank for females with the number of unemployed women increasing, while the number of unemployed men decreased.

<sup>11</sup> Ministry of Education. 2012. Participation in early childhood education.

<http://www.educationcounts.govt.nz/indicators/main/student-engagement-participation/1923> Accessed 20.09.12.

<sup>12</sup> Van Den Berg, T., Schuring, M., Avendano, M., Mackenbach, J., Burdorf, A. 2010. The impact of ill health on exit from paid employment in Europe among older workers. *Occupational and Environmental Medicine*; 67: 845-52

<sup>13</sup> Schuring, M., Mackenbach, J., Voorham, T., Burdorf, A. 2010. Op Cit.

More women were also not working their usual hours or had left their jobs because of the earthquakes. Overall, female employment appears to have been more affected by the earthquakes than male employment.<sup>14</sup>

In the year up to March 2013, there was a decline of 13,400 people in Canterbury's working-age population which helped push up Canterbury's labour force participation and employment rates.<sup>15</sup> Figure 1 will be updated when the end of June data becomes available and we expect it to show this trend.

### ***As at November 2011***

Quarterly figures from the Department of Labour were not available for Christchurch in the reporting period immediately following the earthquake of February 2011. It is likely that unemployment has risen in the city in the immediate aftermath of the quake but it is uncertain what the trend will be from here.

Prepared by Community and Public Health.

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<sup>14</sup> Statistics New Zealand. 2012. Op. cit.

<sup>15</sup> Statistics New Zealand. 2012. Household Labour Force Survey - March 2013 quarter.  
[http://www.stats.govt.nz/browse\\_for\\_stats/income-and-work/employment\\_and\\_unemployment/HouseholdLabourForceSurvey\\_HOTPMar13qtr.aspx](http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/HouseholdLabourForceSurvey_HOTPMar13qtr.aspx) Accessed 10.05.12.