



## NEW ZEALAND INCOME SURVEY – JUNE 2009 QUARTER

The New Zealand Income Survey (NZIS) data is sourced from Statistics New Zealand. NZIS is run annually during the June quarter. It collects pre-tax income information on self-employment, wages and salaries, government transfers, other transfers (i.e., private superannuation or pension schemes, and annuities) and investments. This note focuses on median hourly earnings because it is less influenced by extreme amounts (e.g., very high or low hourly rates) than average hourly earnings.

### ***Steady growth in median hourly earnings continues...***

Median hourly earnings rose by 4.1% to \$19.47 in the year to June 2009 (Figure 1). This is similar to the 3.9% growth rate recorded in the year to June 2008. The growth in median hourly earnings over the year to June 2009 was higher than consumer price inflation of 1.9% over the same period. Over the last five years, real median earnings have increased by an average of 1.9% per annum, higher than growth of around 1% per annum in labour productivity (output per hour).

### ***...as Pacific peoples' earnings grow strongly...***

In the year to June 2009, Pacific peoples experienced the highest growth in median hourly earnings from wage and salaries. Median hourly earnings for Pacific peoples rose by 7.1% to \$16.50, higher than growth for Māori (6.1%) and Europeans (4.3%). However, Pacific peoples' median hourly earnings still remain below the overall average of \$19.47.

### ***...with Construction having the greatest median hourly earnings growth***

Eight out of the nine industry groups recorded an increase in median hourly earnings over the last year. In particular, Construction and Manufacturing grew strongly at 5.3% and 4.8% respectively. Median hourly earnings in the Health and Community Services industry were unchanged after strong growth in the year to June 2008.

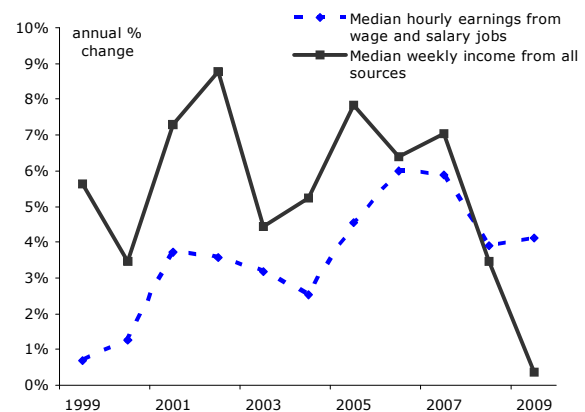
### ***Total median weekly income growth slows markedly...***

Median weekly income for all people aged 15 years and over from all sources (including people with no source of income) was \$538 in the June 2009 quarter. This is up only 0.4% from the June 2008 quarter and was the lowest annual growth rate recorded in the past ten years (Figure 1). This reflects the downturn in the wider economy which has resulted in rising unemployment, declining hours of work and reduced investment income.

### ***...with Government transfers increasing and investment income down.***

In the June 2009 quarter, wage and salary income accounted for two-thirds of all income received. Self-employment and government transfers accounted for 14% and 13% respectively of total income received while investment income comprised 5%. Aggregate weekly income from government transfers increased by 9.2% over the year to June 2009, followed by income from wage and salary (up by 2.9%). In contrast, income from investments and self-employment decreased by 28.2% and 2.3% respectively.

Figure 1: Growth in median hourly earnings and median weekly income



Source: Statistics New Zealand