



NEW ZEALAND INCOME SURVEY – JUNE 2011

Background

The New Zealand Income Survey (NZIS) for the June 2011 quarter was released on October 6. This note summarises the key results from that release. The NZIS is run annually during the June quarter as a supplement to the Household Labour Force Survey, which is conducted by Statistics New Zealand. It provides a snapshot of income statistics about people and households. This note uses median figures, rather than averages, because they are less influenced by extreme amounts (e.g. very high or low hourly rates).

Hourly wage growth lowest in a decade...

Median hourly earnings (i.e. only wage and salary income) for people in paid employment were up 1.9% since last year, to \$20.38. While growth in hourly earnings was positive, it has been trending down since 2006 and is the lowest annual growth rate since 2000 (see Figure 1).

Median weekly earnings grew by 4.0% over the year, to \$800, due to increases in hours worked. This is the highest growth in weekly earnings since 2008. This is consistent with other wage growth measures, such as the Labour Cost Index and the Quarterly Employment Survey, which have shown gradually improving wage growth over the last year, as the economy recovers from the recession. For more information on these measures, see the latest [Wage growth factsheet](#).

...but hourly earnings up strongly for older workers...

Older age groups experienced the largest annual increases in median hourly earnings. Hourly earnings rose by 6.8% for 60-64 year olds (to \$21.31) and by 4.6% for 55-59 year olds (to \$22.38).

Also of note was a 3.1% rise for 15-19 year olds (to \$13.15). This is likely to be a result of two factors:

- the increase in the minimum wage from \$12.75 to \$13.00 in April 2011; and
- a fall in the number of 15-19 year olds working part-time (part-time workers are generally paid less than full-time workers).

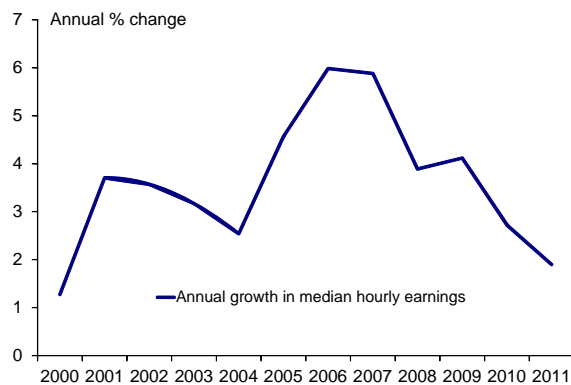
Median hourly earnings increased for most ethnic groups over the year to June 2011. The strongest growth was for Europeans (up 3.3%), followed by Asians (up 1.3%) and Maori (up 1.2%).

Growth in median hourly earnings varied by industry, with the highest growth seen for electricity, gas, water and waste services (up 15.1%), followed by financial and insurance services (up 10.5%), and construction (up 5.3%).

...and female hourly earnings growth stronger than for males

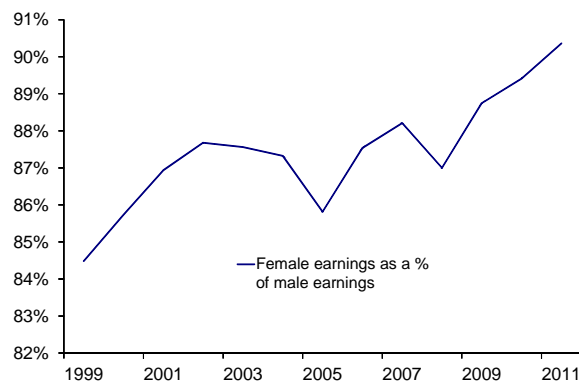
Female median hourly earnings increased by 2.6% to \$19.50 for females, while male earnings increased by 1.6% to \$21.58. This resulted in a narrowing of the gender pay gap. The ratio of female median hourly earnings to male earnings rose to 90.4% in the June 2011 quarter, up from 89.4% in the June 2010 quarter. This was the smallest percentage difference in earnings by gender since the survey began in 1997 (see Figure 2).

Fig 1: Median hourly earnings growth



Source: NZIS, Statistics NZ

Fig 2: Gender pay gap



Source: NZIS, Statistics NZ

Median income from all sources rose...

Median weekly income for all people from all sources (i.e. self-employment, wages and salaries, government transfers (such as benefits), and investment income) was \$550 in the June 2011 quarter. This is up 3.9% from \$529 in the June 2010 quarter.

...older people and youth benefit most

Older people and youth have seen the highest rises in median weekly income, up 8.8% for those aged 65-and-over and 6.3% for those aged 20-to-24. This is likely due to the large growth in employment seen in these age groups over the last year, coupled with increases in superannuation and some supplementary benefits for older people.

The Asian ethnic group experienced the largest increase in median weekly income, up 11.6% to \$405. Median weekly incomes grew by 2.1% for Pacific peoples (to \$390), by 0.9% for Europeans (to \$580), and by 0.2% for Maori (to \$459).