

# EMPLOYMENT

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Employment affects the economic status and standard of living of an individual and their family and also has a strong influence on social and emotional wellbeing [1]. For most people, participation in paid employment is the main factor in determining adequate income [2]. Being employed is an important way for a person to meet their material needs and to participate in their community [3]. Employment is also important to an individual's identity and their role in society [4,5]. Longitudinal studies show that unemployment has a direct negative effect on health, over and above the effects of socioeconomic status, poverty, and prior ill-health [6].

There are three general labour force status classifications: employed, unemployed, and not in the labour force [7]. Levels of employment and unemployment differ across population groups, meaning some groups are less likely to experience the positive benefits of employment. When people move from unemployment to employment, they gain in material wellbeing, subjective wellbeing, physical and mental health, and socioeconomic status [8].

## Key trends within employment

The labour market in greater Christchurch has moved through four main phases over the last ten years. Firstly, prior to the beginning of the Canterbury earthquake sequence, the employment statistics for greater Christchurch were similar to those for New Zealand overall. Then, during the initial post-earthquake period, the employment opportunities in greater Christchurch were adversely affected by the disruption of critical infrastructure and loss of business premises (including public services), and a general reduction in demand for goods and services by individuals and households within the greater Christchurch economy.

During the next phase, the peak repair and rebuild years from late 2012 to 2016, employment statistics in greater Christchurch generally tracked above both pre-earthquake and New Zealand levels. Finally, the most recent data indicate a general convergence between the employment statistics in greater Christchurch and New Zealand overall. Specifically, the favourable differences for greater Christchurch in the unemployment rate, employment rate, labour force participation rate, and underemployment rate have all reduced, essentially returning to levels similar to New Zealand overall. Job satisfaction decreased in Canterbury and in New Zealand overall between 2016 and 2018, declining by approximately 10 percentage points in Canterbury (74% in 2018) and 7 percentage points in New Zealand (77% in 2018).

## Key equity issues within employment

Changes in the employment and labour force participation rates in greater Christchurch over the last ten years indicate that the employment opportunities for young people and females have been particularly sensitive to external drivers (comparable data were not available by ethnicity for greater Christchurch due to the survey sample size for this area being too small to present robust data). In greater Christchurch, employment statistics broadly reflect shifts in employment opportunities during the ongoing earthquake recovery/rebuilding phase. Generally, employment opportunities for low-skilled and unskilled workers tend to be strongly driven by the prevailing economic conditions: unfavourably (compared to skilled workers) when economic conditions slow and more equitably as economic conditions improve [9,10].

## What this means for wellbeing

Employment continues to be a key driver of individual and community wellbeing in greater Christchurch. For most people, participation in paid employment is the main factor in determining adequate income. The employment statistics for greater Christchurch are now similar to New Zealand overall, as much of the upswing in economic activity observed during the post-

earthquake and peak rebuild years has now dissipated.

## Indicators in this domain

- **Unemployment rate**
- **Employment rate**
- **Labour force participation rate**
- **Underemployment rate**
- **Job satisfaction**

## UNEMPLOYMENT RATE

The labour force (the total potential labour available) is split into two groups: those with a job (employed) and those without (unemployed). Unemployment is the situation of being without work, wanting work, and actively seeking work (but excludes being too discouraged to seek work and those who are in effect unemployed but are working just a few hours, and would like more work) [7].

The personal and social costs of unemployment include severe financial hardship and poverty, debt, homelessness and housing stress, family tensions and breakdown, long-term harm for children and young people, increased social isolation, crime, loss of work skills, ill-health, and reduced subjective wellbeing [11-13]. The health impacts are linked to both the psychological consequences and the financial problems that result from being unemployed. Most of these effects increase with the duration of unemployment [12]. Moving from unemployment to employment improves people's physical health, mental health, and subjective wellbeing [11].

This indicator presents the unemployment rate for greater Christchurch and New Zealand (non-seasonally adjusted). Unemployment is defined as being in the civilian working-age population, without a paid job, but available for work and actively seeking work. The unemployment rate is, therefore, the proportion of the labour force that is unemployed [7].



In September 2018, the (non-seasonally adjusted) unemployment rate in New Zealand fell to 3.8 percent, the lowest unemployment rate since September 2008, before rising to 4.4 percent by the end of 2018. In comparison, the unemployment rate in greater Christchurch further converged with the New Zealand rate, increasing 1.1 percentage points from March 2016 to December 2018 (from 2.8% to 3.9%). The pattern of increasing unemployment in greater Christchurch over the last three years follows a period of steady decline in the unemployment rate from late 2012 through to the end of 2015. The notably low rates during this period (at times below 3%) were at least partly due to an increase in activities relating to the Christchurch rebuild. The unemployment rate in greater Christchurch now appears to be tracking in-step with New Zealand overall.

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** Household Labour Force Survey to December 2018. Custom data request for greater Christchurch region.

**Source data frequency:** Quarterly.

Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

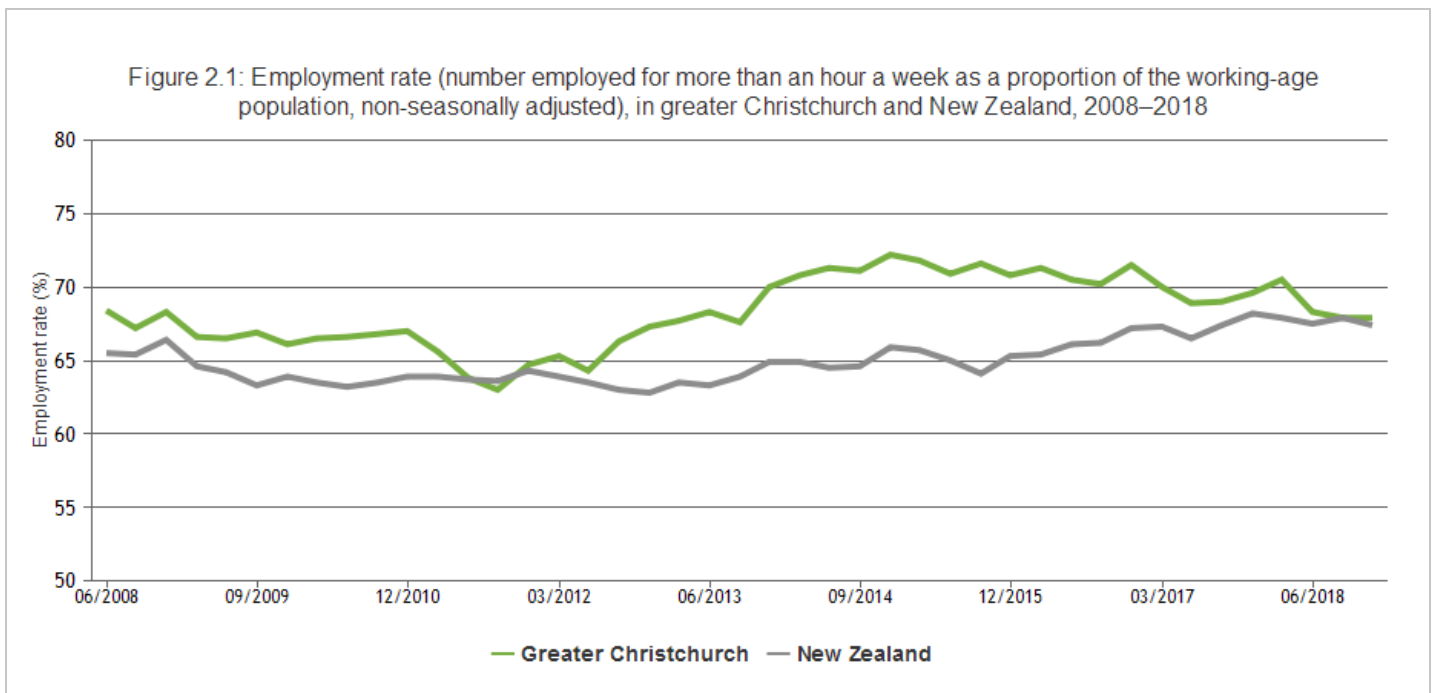
## EMPLOYMENT RATE

Employment improves physical health, mental health, and wellbeing [14]. The social effects of having a job are experienced at different levels. Having a job is important to an individual's wellbeing and to the others in the household, and to sustaining vibrant communities [11]. Employment boosts living standards, raises productivity, and fosters social cohesion [14].

The employment rate generally describes the overall employment-to-population ratio and gives a sense of how easily people can find paid employment. A high employment rate combined with a low unemployment rate is a sign of a robust job market. Several factors affect the employment rate, including the state of the economy, the availability of work, migration, and skill levels.

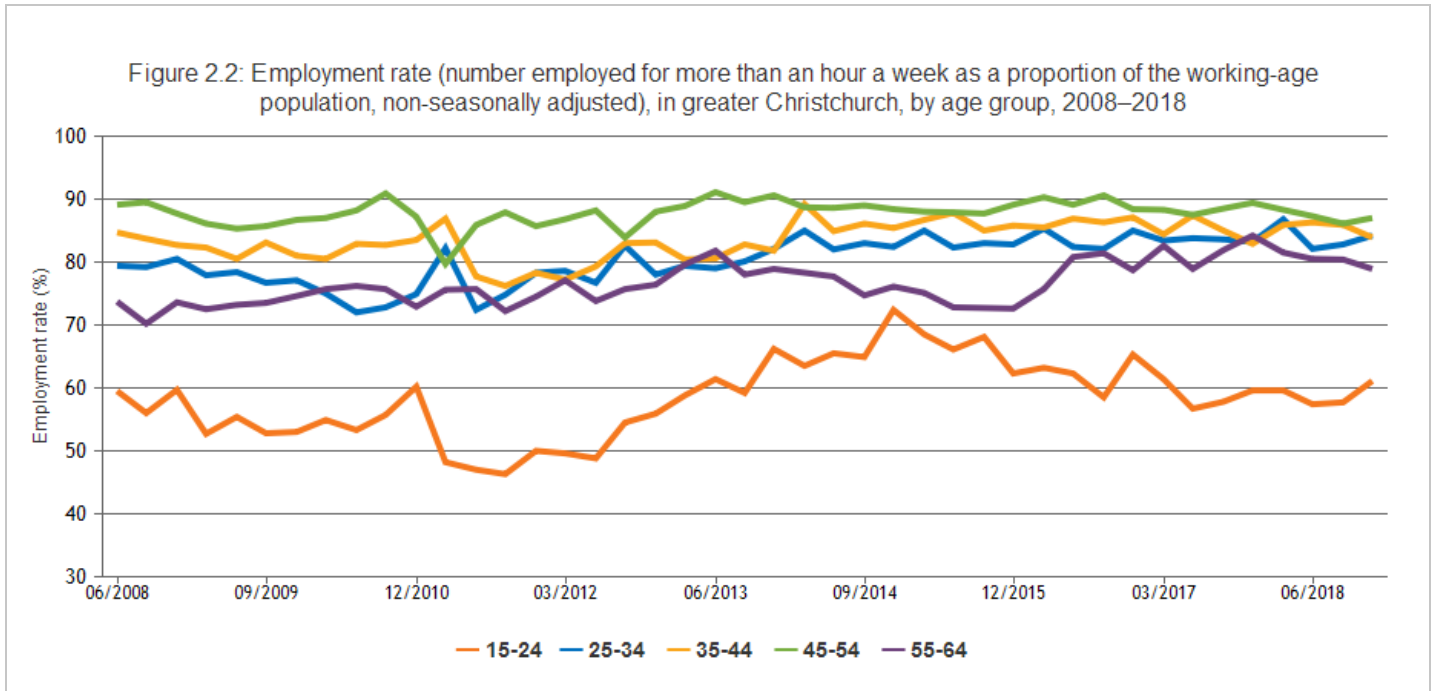
This broad measure does not, however, differentiate or illuminate the reasons why people are not working [15]. For example, they may be looking for work but unable to secure a job (unemployed), they may not want to be working at the moment, they may be retired, or they may be students in high school or university.

This indicator presents the (non-seasonally adjusted) employment rate for greater Christchurch and New Zealand. The employment rate is defined as the number employed (for more than an hour a week) as a proportion of the working-age population. The working-age population is the usually resident (expecting to live in New Zealand for more than 12 months), non-institutionalised, civilian population of New Zealand aged 15 years and over who live in private dwellings.



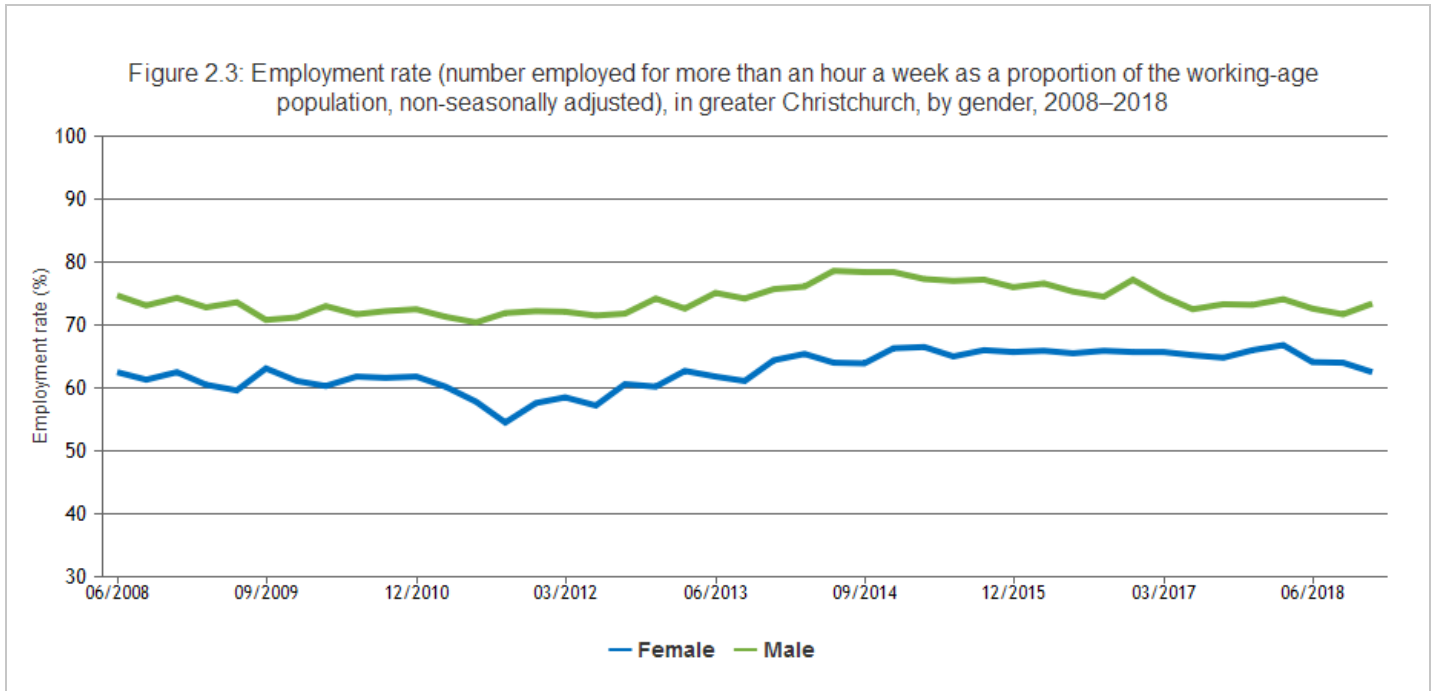
The figure shows a general pattern of an increasing employment rate (non-seasonally adjusted) for greater Christchurch and New Zealand, over the last ten years. Over the year to December 2018, the employment rate in greater Christchurch fell slightly to 67.9 percent; rising to 67.4 percent for New Zealand, the highest rate since the series began in 1986 [16]. This increase at the national level is a result of employment growth exceeding growth in the working-age population over the year. The employment rate for greater Christchurch has outstripped the New Zealand rate since the beginning of the post-earthquake rebuild period (late 2012). The rate was steadily four or five percentage points above the national rate until June 2016, reflecting rebuild-related economic activity. However, since early 2016, the employment rate for greater Christchurch has flattened then declined, and the greater Christchurch and New Zealand rates have now converged.

## Breakdown by age



The figure shows a pattern of generally increasing employment (non-seasonally adjusted) for greater Christchurch over the last ten years, and a pattern of convergence between the age groups. The employment rate for younger people (15–24 years) appears to have been influenced by earthquake and rebuild-related activities; declining substantially following the start of the Canterbury earthquake sequence, before rebounding during the years 2012 to 2015, then flattening from 2016 to the most recent result of 61.1 percent.

## Breakdown by gender



The figure shows noticeable differences between the female and male employment rate (non-seasonally adjusted) in greater Christchurch, following the beginning of the Canterbury earthquake sequence (employment rate for females falling from 61.8 percent in December 2010 to 54.5 percent in March 2012). This suggests that a greater proportion of females were adversely affected by the impact of the earthquakes on employment, compared with males. However, the employment rate for females appears to have recovered during the subsequent years, and has remained above pre-earthquake levels since late 2014. The approximately 10 percentage points difference between the male and female employment rates in greater Christchurch is consistent with male and female employment rates for New Zealand overall (data not shown).

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** Household Labour Force Survey to December 2018. Custom data request for greater Christchurch region.

**Source data frequency:** Quarterly.

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## LABOUR FORCE PARTICIPATION RATE

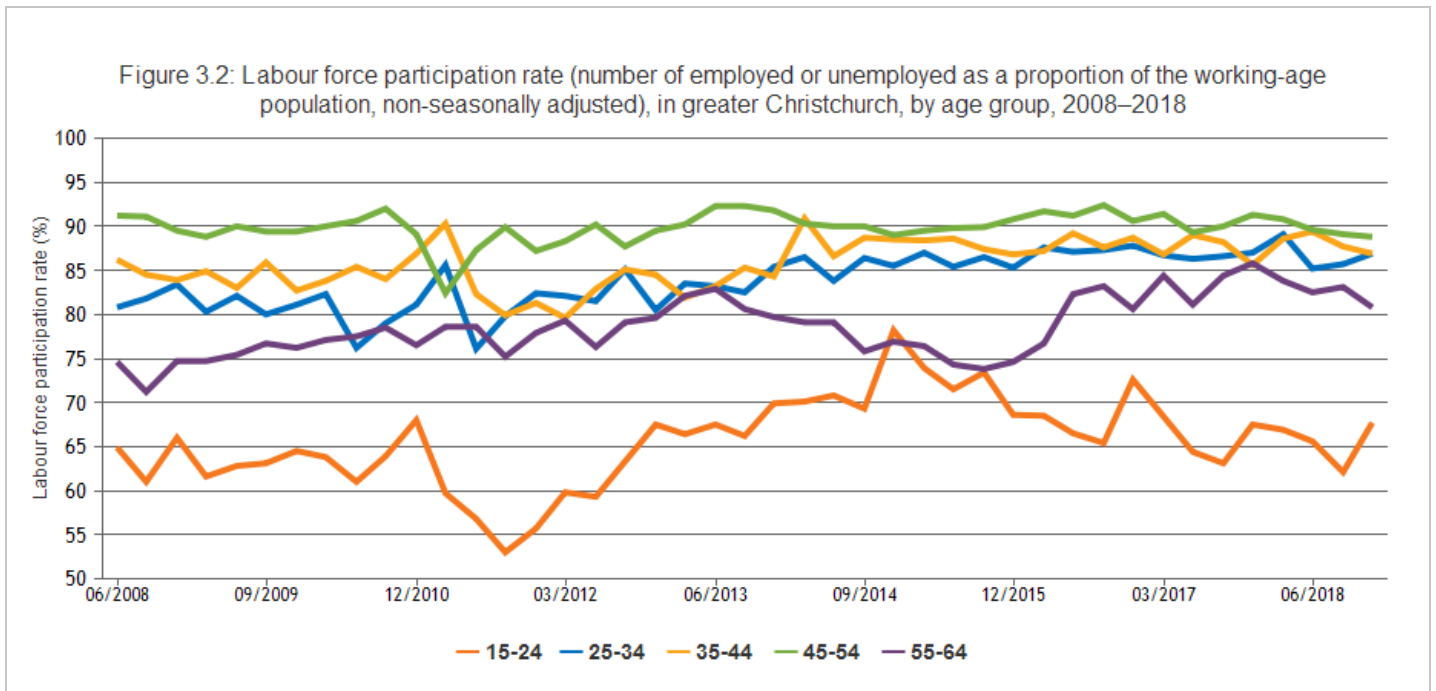
The labour force includes all people who are either employed, or unemployed but looking for work (such as the proportion of the entire working-age population that would turn up for work if suitable work was available) [7]. The size of the labour force is directly related to New Zealand's ability to produce goods and services. Short-term changes in the participation rate are linked to current job market conditions, which can vary with cycles of business growth.

This indicator measures the proportion of the working-age population in the labour force (non-seasonally adjusted). The labour force consists of members of the working-age population who are classified as employed or unemployed (people working + people looking for work). The labour force participation rate is, therefore, the proportion of the working-age population who are either employed or unemployed.



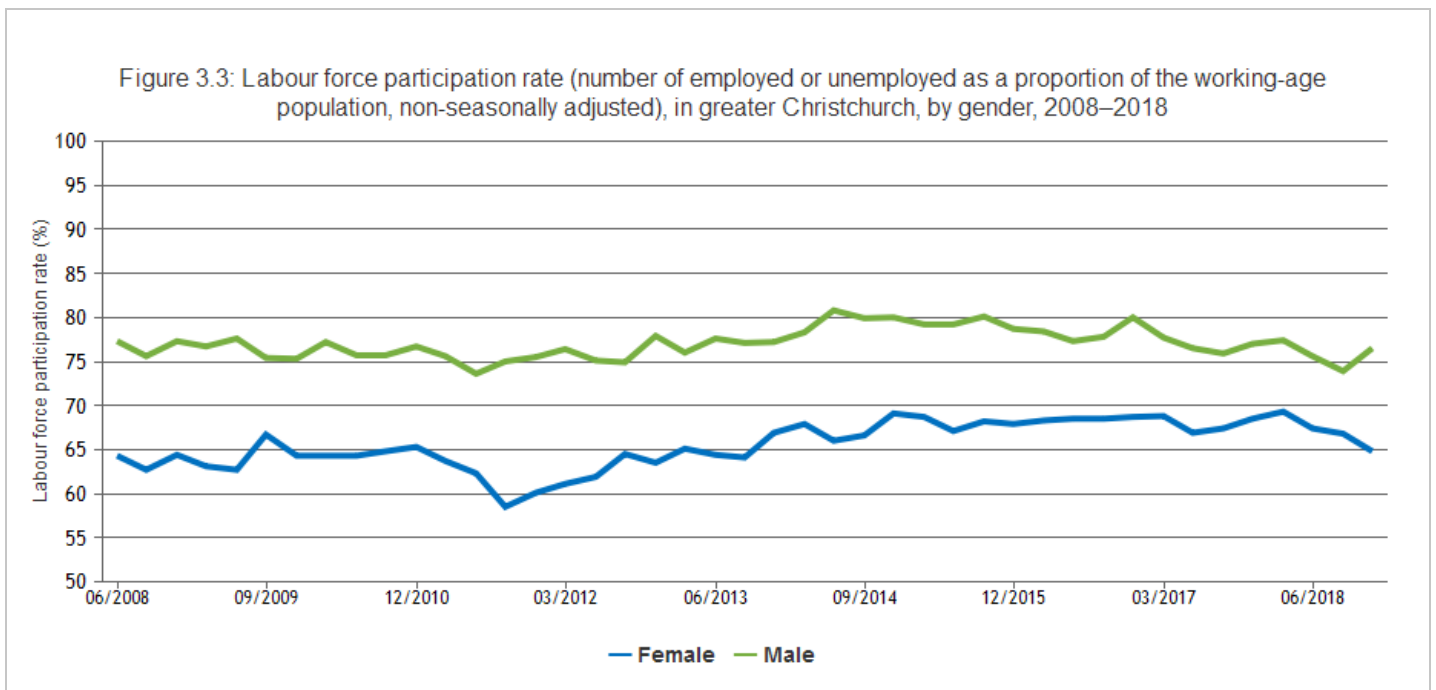
The figure shows that the labour force participation rate (non-seasonally adjusted) in New Zealand has increased over the last ten years. The labour force participation rate for greater Christchurch decreased from 74.4 percent in December 2016 to 70.7 percent in December 2018 (and for New Zealand, remained relatively stable over this time period at 70.9 percent and 70.5 percent). The labour force participation rate for greater Christchurch deviated from the New Zealand rate following the beginning of the Canterbury earthquake sequence. The greater Christchurch rate was three or four percentage points higher than the national rate from late 2012 until early 2017, as rebuild-related economic activity continued. However, the labour force participation rate for greater Christchurch has now converged with the New Zealand rate.

## Breakdown by age



The non-seasonally adjusted labour force participation rate for greater Christchurch has increased over the last ten years, for all age groups (with the exception of the 45–54 years group, which has remained steady at approximately 90 percent). Labour force participation for younger people (15–24 years) appears to have been particularly influenced by earthquake rebuild-related activities (declining following the start of the Canterbury earthquake sequence, before increasing during the years 2012 to 2015, and currently relatively stable).

## Breakdown by gender



The figure shows some divergence in female and male labour force participation (non-seasonally adjusted) in greater Christchurch following the beginning of the Canterbury earthquake sequence. This suggests that a greater proportion of females than males were adversely affected by the impact of the earthquakes on labour force participation. However, the labour force participation rate for females has increased during the subsequent recovery years, and, while remaining lower, is within 10 percentage points of the male rate in the most recent data (female 68.5 percent; male 77.0 percent, December 2017).

## Data Sources



**Source:** Statistics New Zealand.

**Survey/data set:** Household Labour Force Survey to December 2018. Custom data request for greater Christchurch region.

**Source data frequency:** Quarterly.

Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

## UNDEREMPLOYMENT RATE

The labour force is fundamentally split into two groups: those with a job (employed) and those without (unemployed). However, underemployment relates to the grey area of employment where people have a job but face a partial lack of work (labour force underutilisation) and have similarities to unemployed people. The underemployment rate includes people who have a part-time job of less than 30 hours per week but who want to work more hours, and are available to do so [7]. Underemployment describes workers who are constrained by the demand side of the labour market to work fewer hours than they desire.

This indicator presents the proportion (non-seasonally adjusted) of total employed who work part-time (less than 30 hours per week) who want to and are available to work more hours, in greater Christchurch and New Zealand.



The figure shows some divergence in female and male labour force participation (non-seasonally adjusted) in greater Christchurch following the beginning of the Canterbury earthquake sequence. This suggests that a greater proportion of females than males were adversely affected by the impact of the earthquakes on labour force participation. However, the labour force participation rate for females has increased during the subsequent recovery years, and, while remaining lower, is within 11 percentage points of the male rate in the most recent data (female 64.8 percent; male 76.5 percent, December 2018) compared with approximately 16 percentage points when the difference was at its greatest, in September 2011.

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** Household Labour Force Survey to December 2018. Custom data request for greater Christchurch region.

**Source data frequency:** Quarterly.

Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

## JOB SATISFACTION

Job satisfaction reflects how people feel about their job and encompasses a range of possible factors and influences. Job satisfaction has been associated with overall life satisfaction and provides an additional view on working life. Satisfaction with one's employment situation can influence subjective wellbeing, and vice versa [17]. Respondents to the New Zealand General Social Survey [18] are asked to think about the last four weeks in their job (main job), and to rate how they feel about their job using a 5-point Likert scale (response options ranging from very dissatisfied to very satisfied).

This indicator presents the proportion of employed people who were satisfied or very satisfied with their main job, based on recall of the last four weeks in their job.



The figure shows that job satisfaction as measured in the New Zealand General Social Survey decreased in Canterbury and in New Zealand overall between 2016 and 2018. In the 2018 survey, 74.5 percent of Canterbury respondents and 76.7 percent of New Zealand respondents were satisfied or very satisfied with their job, compared to 85.4 percent and 83.8 percent in 2016, respectively.

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand General Social Survey to 2018. Access publicly available data from the Statistics New Zealand, Ngā Tūtohu Aotearoa – Indicators Aotearoa New Zealand website <https://wellbeingindicators.stats.govt.nz/en/job-satisfaction/>

**Source data frequency:** Every 2 years.

Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

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## FIND OUT MORE

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> **Employment data**

This Statistics New Zealand webpage contains links to various employment-related statistics.

> **Economic activity in Christchurch City**

This Christchurch City Council webpage provides links to statistics relating to economic activity in Christchurch.