

## INCOME

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Having sufficient income contributes substantially to wellbeing. With an adequate income, an individual or household can access essential goods and services more easily, such as quality housing, transport, food, health services, and education. An adequate income also enables participation in social and recreational activities in the community.

Household income affects both day-to-day decisions and activities and future prospects for all age groups. The inter-generational effects of family income levels are far reaching. The 'chicken-and-egg' relationships between enabling young people's educational attainment, and their future work prospects, income, housing, neighbourhood characteristics, and their health-promoting activities in adulthood are well known [1-3]. Through these various mechanisms, children who experience well-resourced family life in the early years are more likely to experience good health and wellbeing across the life course [4,5]. Not only do people with higher levels of income live longer, but they live longer in better health [2]. However, some groups are more at risk of low income than others, including people experiencing mental illness, people with disabilities, young people, lone parents, and some ethnic groups [4].

Income inequities can increase the likelihood of social isolation and marginalisation and can influence mental health, physical health, and health behaviours, for example through feelings of stress and lack of control.

### Key trends within income

The median equivalised gross weekly household income in greater Christchurch increased steadily from early 2012, coinciding with the upsurge in earthquake recovery and rebuild activities. This upward trend has tended to flatten over the last three to four years, and the median weekly income for greater Christchurch now appears to be converging with the New Zealand median weekly income level.

Median equivalised gross weekly household income net of housing costs for home owners has increased steadily for those in greater Christchurch over the last ten years, consistent with the pattern for New Zealand overall. For greater Christchurch renters, household income net of housing costs increased more steeply than for New Zealand overall, for the period 2011 to 2016, but has now converged with the New Zealand level.

The 20th percentile equivalised gross weekly household income (the dollar amount below which a household is considered to have a 'low' income) increased substantially in greater Christchurch from 2008 to 2018, from \$531 to \$791, and appears to be continuing at a higher level compared with the whole of New Zealand. However, the difference between greater Christchurch and New Zealand has reduced substantially since the high points of 2013 and 2014.

Approximately two-thirds of greater Christchurch respondents indicated that they were satisfied or very satisfied that their household income meets everyday needs in 2018, and this proportion remained similar in 2019.

Taken together, the changes in the income indicators for greater Christchurch, over the last three to four years, suggest a plateau or an easing of rebuild-related economic activity.

### Key equity issues within income

Median equivalised gross weekly household income data for greater Christchurch show a substantial income disparity between Māori and non-Māori ethnic groups. And, while the overall trend for 20th percentile equivalised gross weekly household incomes in greater Christchurch appears to indicate a steady increase, this trend is less pronounced for Māori compared with non-

Māori. Finally, Europeans' satisfaction with their household income is higher than Pacific/Asian/Indian respondents' and Māori respondents' levels of satisfaction. Taken together, these results suggest that Māori households and Pacific/Asian/Indian households may not have benefitted from the boosts in post-earthquake economic activities in greater Christchurch to the same extent as the European ethnic group.

## What this means for wellbeing

The overall picture for income in greater Christchurch is a positive one, with noteworthy increases in equivalised gross weekly income, household income after housing costs (particularly for renters), and 20th percentile household incomes, over the last five to six years. These indicators reflect a post-earthquake recovery-related economic boost across the region since approximately 2012, and a positive contribution to greater Christchurch residents' wellbeing. However, the favourable trends appear less pronounced in more recent years. Further, these data also suggest that the improvements seen in the income indicators are not uniform across the whole population and ethnicity and age-based differences in residents' income levels are evident.

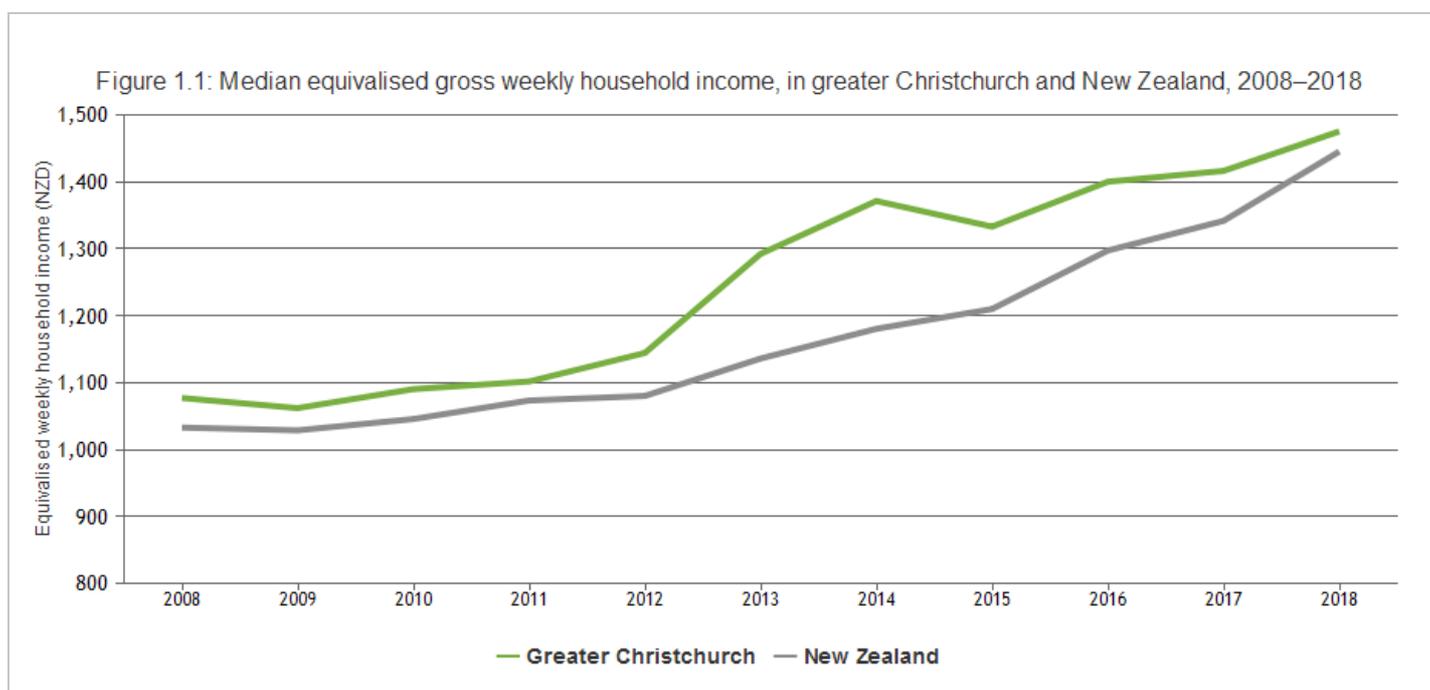
## Indicators in this domain

- **Household income**
- **Household income after housing costs**
- **Low household income**
- **Satisfaction with income**

## HOUSEHOLD INCOME

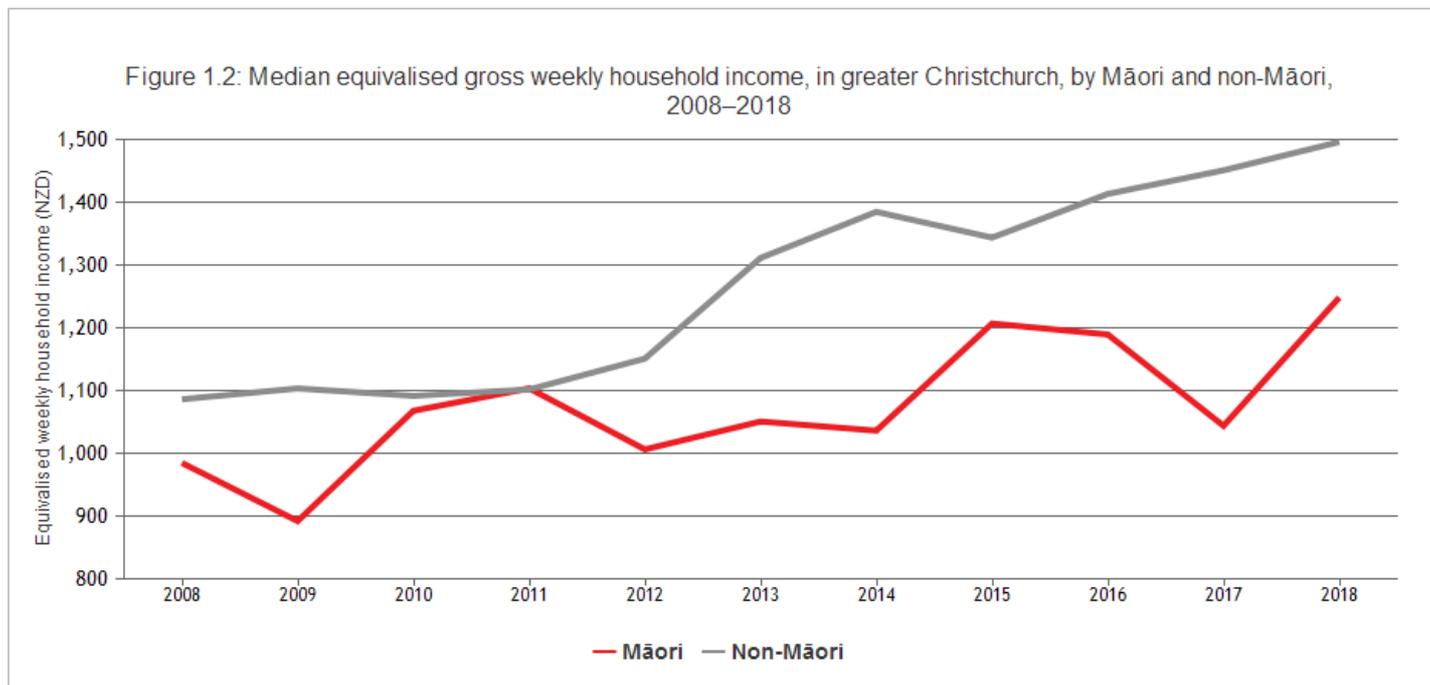
With an adequate income, a household can access essential services and items and can participate in social and recreational activities in the community. For families with sufficient income, children are more likely to experience higher educational achievement, higher economic status in their adult life, and better health and wellbeing [5]. It is well known that income disparity exists across ethnic groups in New Zealand [6]. These differences mean that Māori, Asian, Pacific, and Middle Eastern/Latin American/African (MELAA) population groups are likely to be disproportionately affected in terms of the income-related determinants of health and wellbeing.

This indicator presents median equivalised gross (before tax) weekly household income for greater Christchurch and New Zealand, 2008 to 2018 (excluding investment income). Median gross household income is the dollar amount whereby half the households have an income above that amount, and half the households have an income below that amount (data are 'equivalised' based on household composition).



The figure shows that the median equivalised gross weekly household income in greater Christchurch increased steadily, by approximately 25 percent, between the pre-earthquake period (2008 to 2010) and 2014; compared with a 13 percent increase across New Zealand in the same time period. This increase broadly coincided with the upsurge in earthquake recovery and rebuild activities during this period. During 2014, however, the upward trend flattened, and the median weekly income for greater Christchurch now appears to be converging on the New Zealand median weekly income (in 2014, the difference between greater Christchurch and New Zealand overall was \$191 per week and in 2018, \$30 per week).

## Breakdown by ethnicity



The figure shows a substantial income disparity between Māori and non-Māori ethnic groups in greater Christchurch over time. Gross weekly household income for Māori shows some variability, due to smaller absolute numbers, but there is a picture of lower gross weekly household income (compared with non-Māori) and a flatter rate of increase. From these data, Māori households do not appear to have benefitted from the post-earthquake economic activities in greater Christchurch to the same extent as non-Māori. In 2018, the median equivalised gross weekly household income in greater Christchurch for Māori was substantially below that of non-Māori (\$1248 for Māori and \$1496 for non-Māori; \$248 difference). This approximately 17 percent difference (Māori vs non-Māori) is consistent with that previously reported for New Zealand overall [6].

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand Income Survey (NZIS); run annually as a supplement to the Household Labour Force Survey during the June quarter (1 April to 30 June). Custom data request for greater Christchurch region.

**Source data frequency:** Annually.

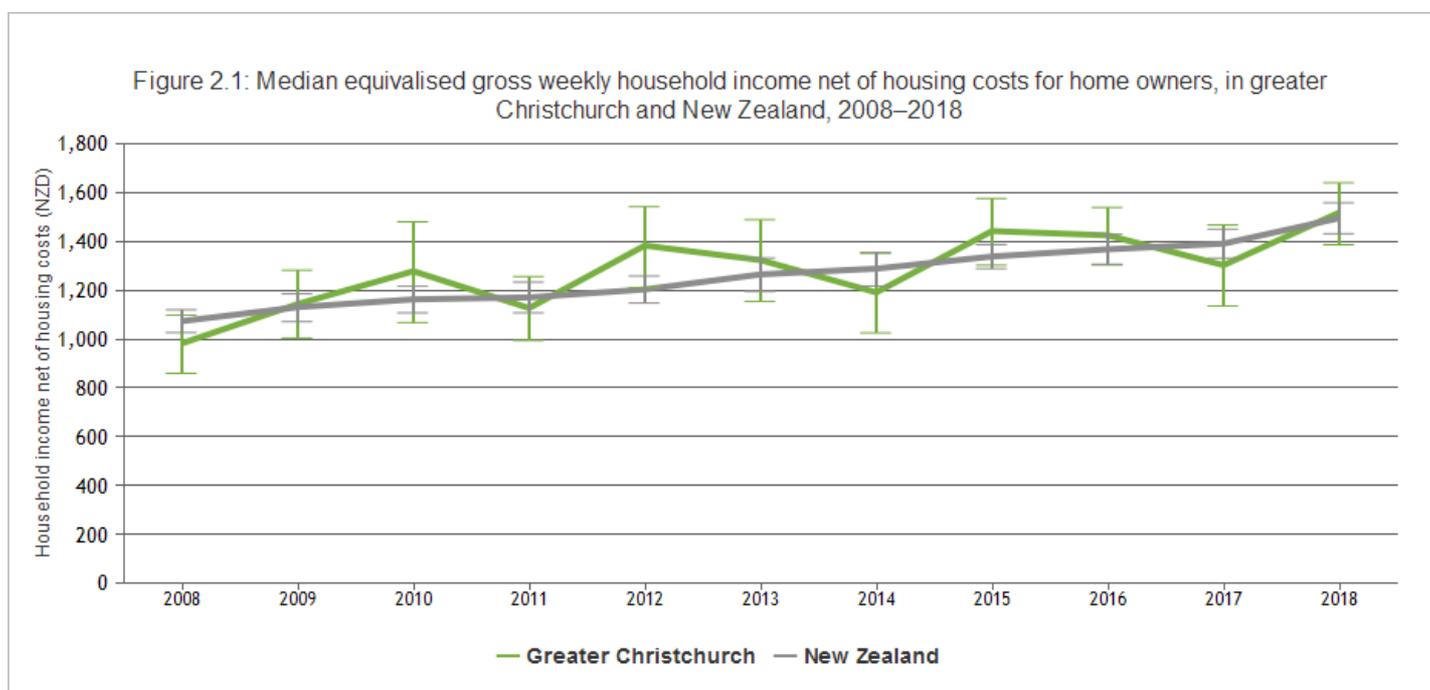
Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

## HOUSEHOLD INCOME AFTER HOUSING COSTS

Household income after housing costs is the median amount that households have in gross weekly income after housing costs have been deducted; sometimes called 'residual income' or 'disposable income net-of-housing-costs'. Household income after deducting housing costs is a useful measure for understanding the real-life differences in 'consumption possibilities' for households, as it provides a picture of the actual living conditions that households experience [7].

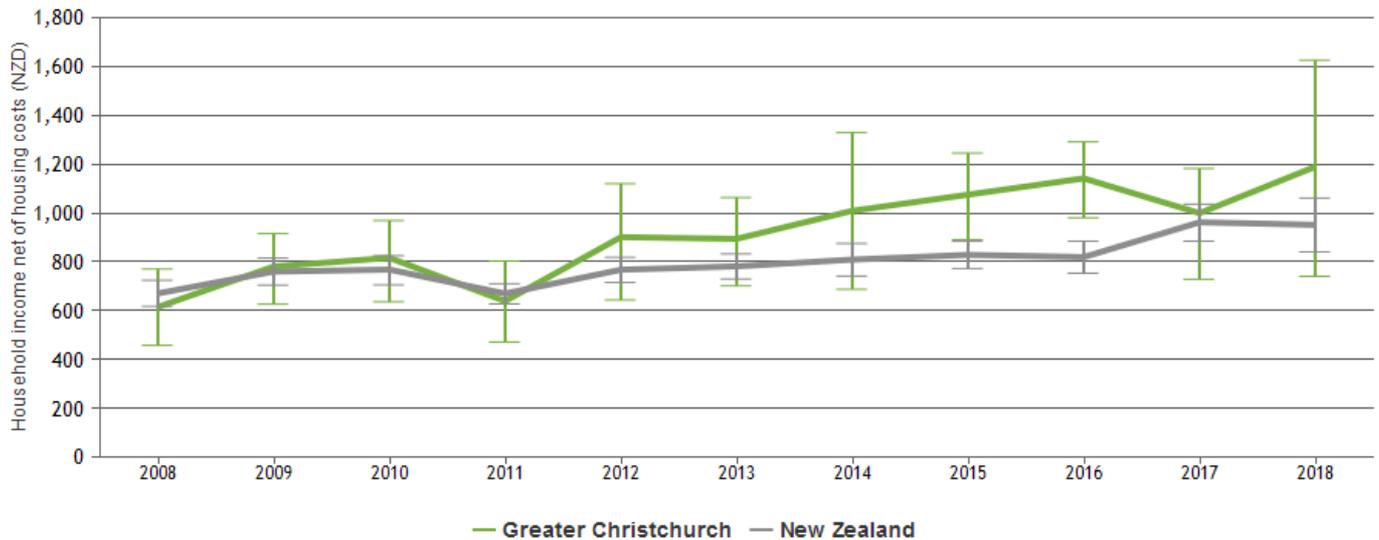
With an adequate 'residual income', a household can better access essential services and items; such as food, health services, and transport, and can participate in social and recreational activities in the community. Having sufficient income is also associated with better educational and economic outcomes, as well as better health and wellbeing [6]. For households with similar income and similar other characteristics, the consumption possibilities are much greater for households with low housing costs than for those with high housing costs.

This indicator presents median equivalised gross weekly household income net of housing costs, for home owners, and for renters. Housing costs include combinations of rent, mortgage (principal and interest), insurance, rates, and other housing expenses not elsewhere classified but exclude repairs and maintenance.



The figure shows that median equivalised gross weekly household income net of housing costs for home owners has increased steadily for those in greater Christchurch and for New Zealanders overall, over the last ten years (an approximately \$500 increase from 2008 to 2018). There are no statistically significant differences between greater Christchurch and New Zealand at any point across the time-series. Generally, home owners have higher median weekly household incomes net of housing costs compared with those who rent (Figure 2.2), both in greater Christchurch and in New Zealand overall.

Figure 2.2: Median equivalised gross weekly household income net of housing costs for renters, in greater Christchurch and New Zealand, 2008–2018



The figure shows that median equivalised gross weekly household income net of housing costs, for renters, has increased steadily for those in greater Christchurch, since 2011 (an approximately \$575 increase from 2011 to 2018). There are no statistically significant differences in household income levels net of housing costs between greater Christchurch and New Zealand for the period 2008 to 2014, however there appears to be a pattern of relatively greater increases for greater Christchurch. For 2015 and 2016, household income net of housing costs, for renters, was statistically significantly higher in greater Christchurch compared with New Zealand overall.

#### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand Household Economic Survey (HES, Income). Custom data request for greater Christchurch region.

**Source data frequency:** Annually.

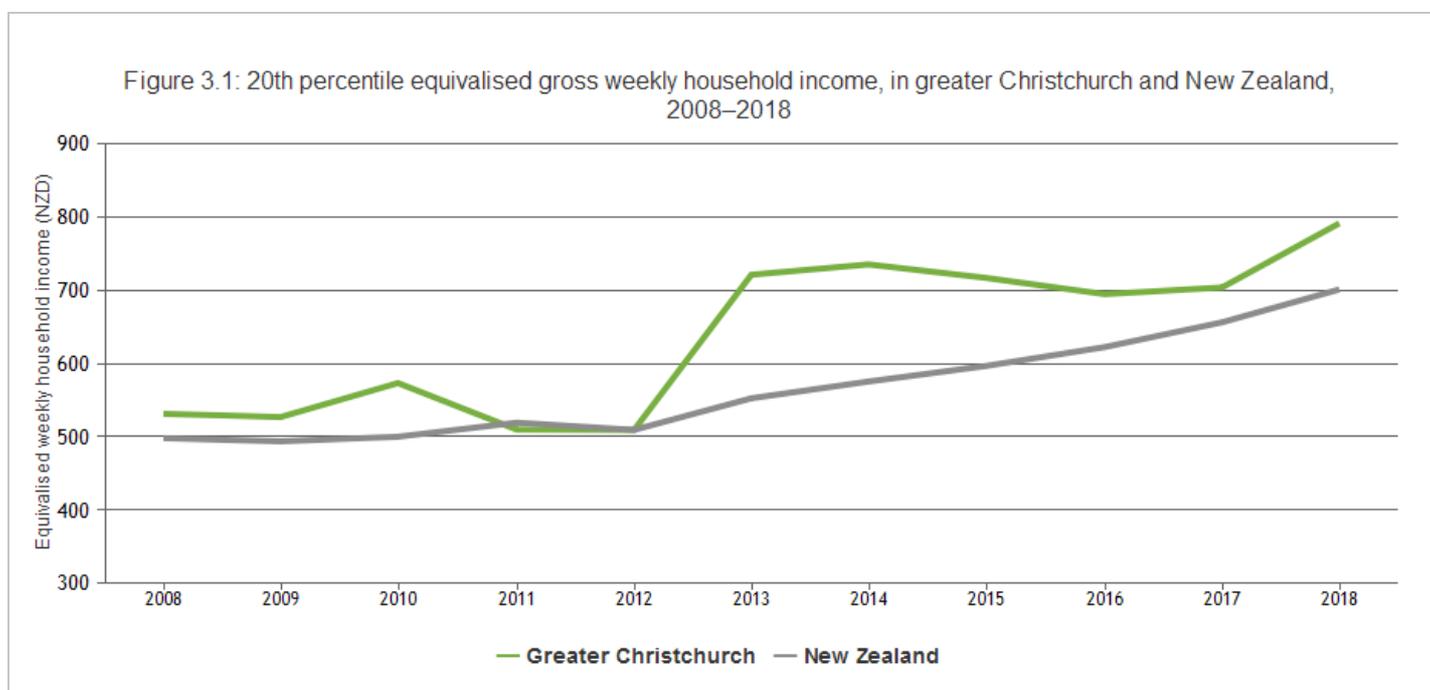
Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

## LOW HOUSEHOLD INCOME

The 20th percentile equivalised gross weekly household income is used as a threshold that denotes 'low household income'. The 20th percentile for household income is the dollar amount that divides households into the 20 percent of households that have an income below this dollar amount and the 80 percent that have an income higher than this dollar amount. Household income is 'equivalised', which means the dollar amounts have been adjusted based on the number of adults and age and number of children in the household.

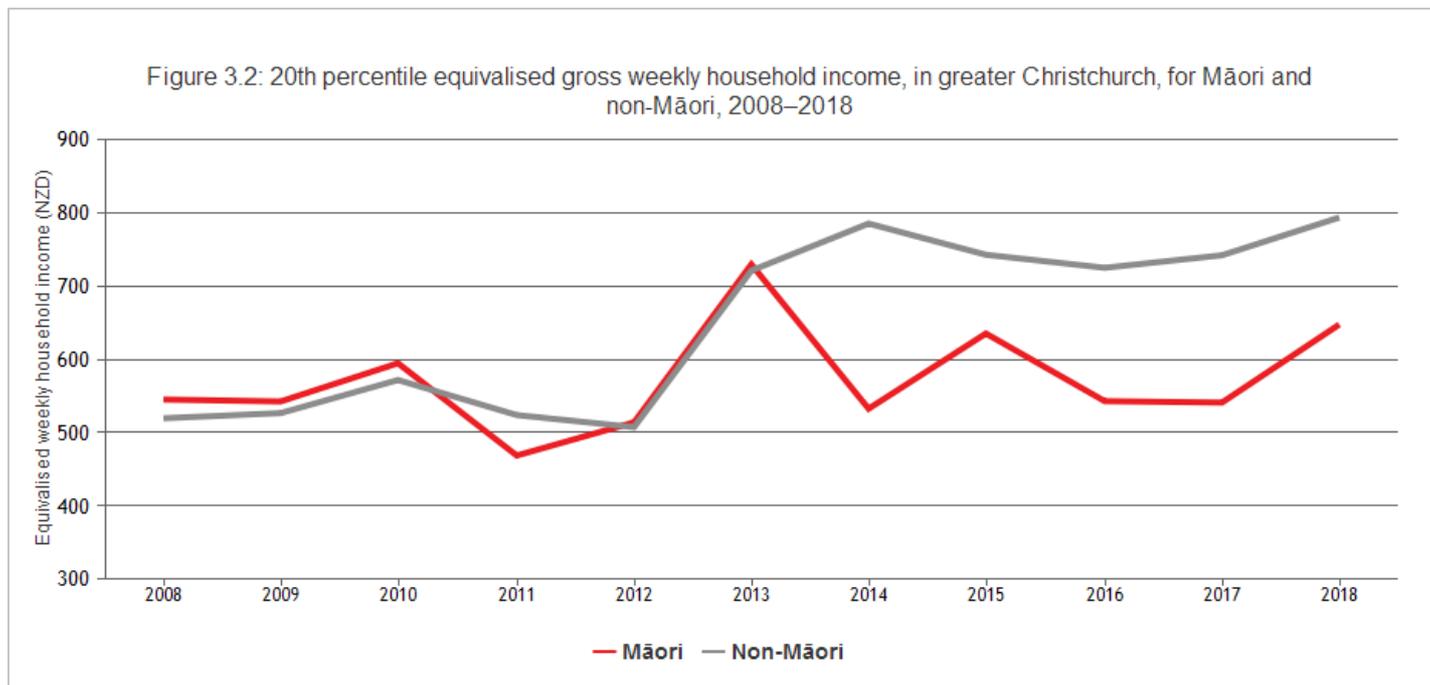
The 20th percentile is a useful measure for illustrating the income level below which households' real-life consumption possibilities will be severely limited, largely because meeting accommodation costs requires a large proportion of their weekly income. The 20th percentile income threshold indicates that the actual living conditions that households will experience are likely to be less than adequate [8]. The 20th percentile equivalised gross weekly household income is most sensitive to the employment rate, and hours worked, and to a lesser degree hourly wage (the wage component having more influence towards the top end of the income distribution).

This indicator presents the 20th percentile equivalised gross weekly household income for greater Christchurch and New Zealand, from 2008 to 2018.



The figure shows that the 20th percentile for equivalised gross weekly household income increased by 49 percent in greater Christchurch, from 2008 to 2018 (\$531 to \$791). Despite the apparent variability in the 20th percentile income level for greater Christchurch over this period, the overall trend is comparable to that of New Zealand, but at a higher income level (greater Christchurch, \$90 higher than New Zealand, 2018). Greater Christchurch's most substantial increase in 20th percentile equivalised gross weekly household income occurred between 2012 and 2014 (from \$509 to \$735) and is likely to have been largely due to the economic boost from the earthquake rebuild. Some of this income advantage appears to have been retained through to 2018.

## Breakdown by ethnicity



The figure shows substantial variability in the 20th percentile equivalised gross weekly household income in greater Christchurch, for Māori compared with non-Māori - some of the variability for Māori being due to smaller numbers of Māori respondents. However, the overall trend appears to be increasing 20th percentile equivalised gross weekly household income levels for greater Christchurch, for Māori and non-Māori. The rate of increase appears to be greater for non-Māori than for Māori.

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand Income Survey (NZIS); run annually as a supplement to the Household Labour Force Survey during the June quarter (1 April to 30 June). Custom data request for greater Christchurch region.

**Source data frequency:** Annually.

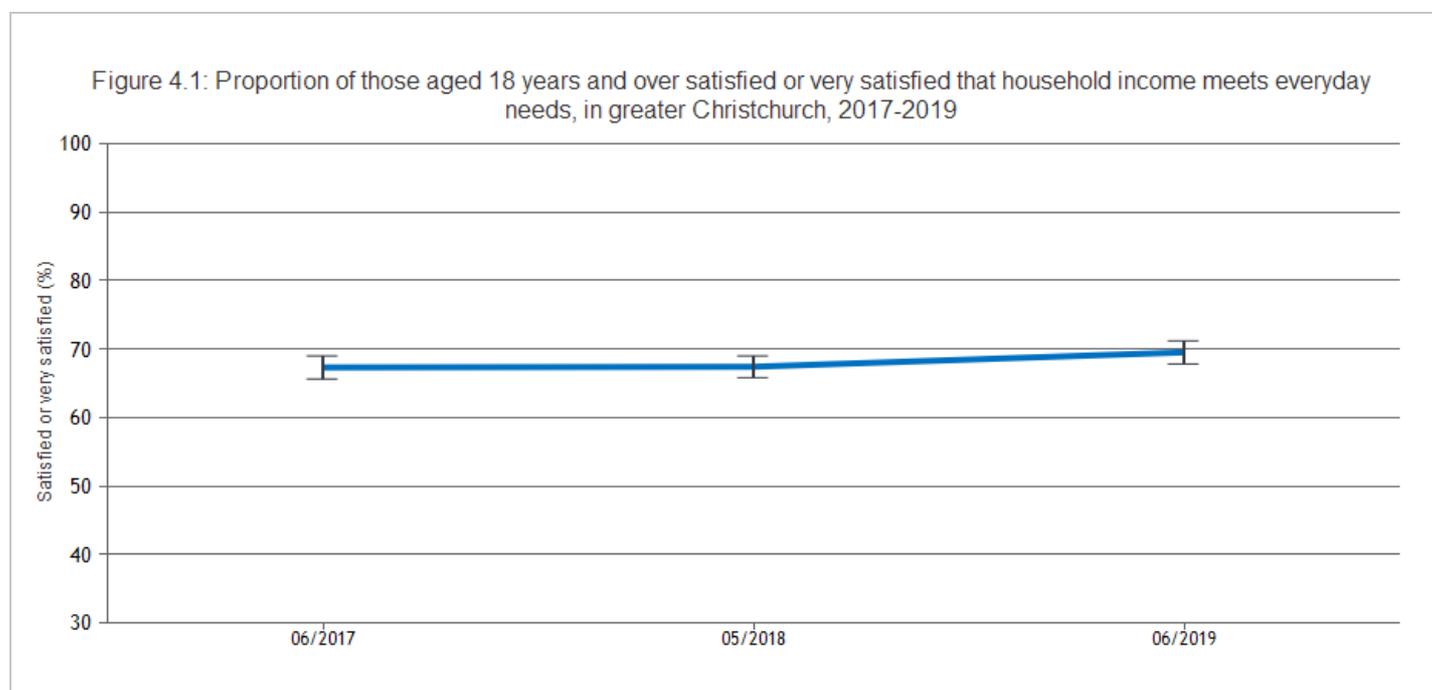
Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

## SATISFACTION WITH INCOME

Many aspects of day-to-day life can influence people's overall satisfaction with life, and their subjective wellbeing [9]. One of the most important components of overall life satisfaction is satisfaction with income [9-13]. In general, individuals' satisfaction with income is influenced by thinking about both their position in the income distribution (such as where their income sits in relation to others) as well as the size of any gap between their income and what they practically need (for day-to-day life essentials) and/or any wants and aspirations [10,11]. Past-comparison effects may also influence current satisfaction (such as people's current income compared to their own 'comparison' income level, from some time in their past). Generally, the income-to-wellbeing association tends to be strongest for people earning below the median income and the association tends to plateau for people in the higher income ranges (such as the lower the household income, the more important small changes become for wellbeing) [13].

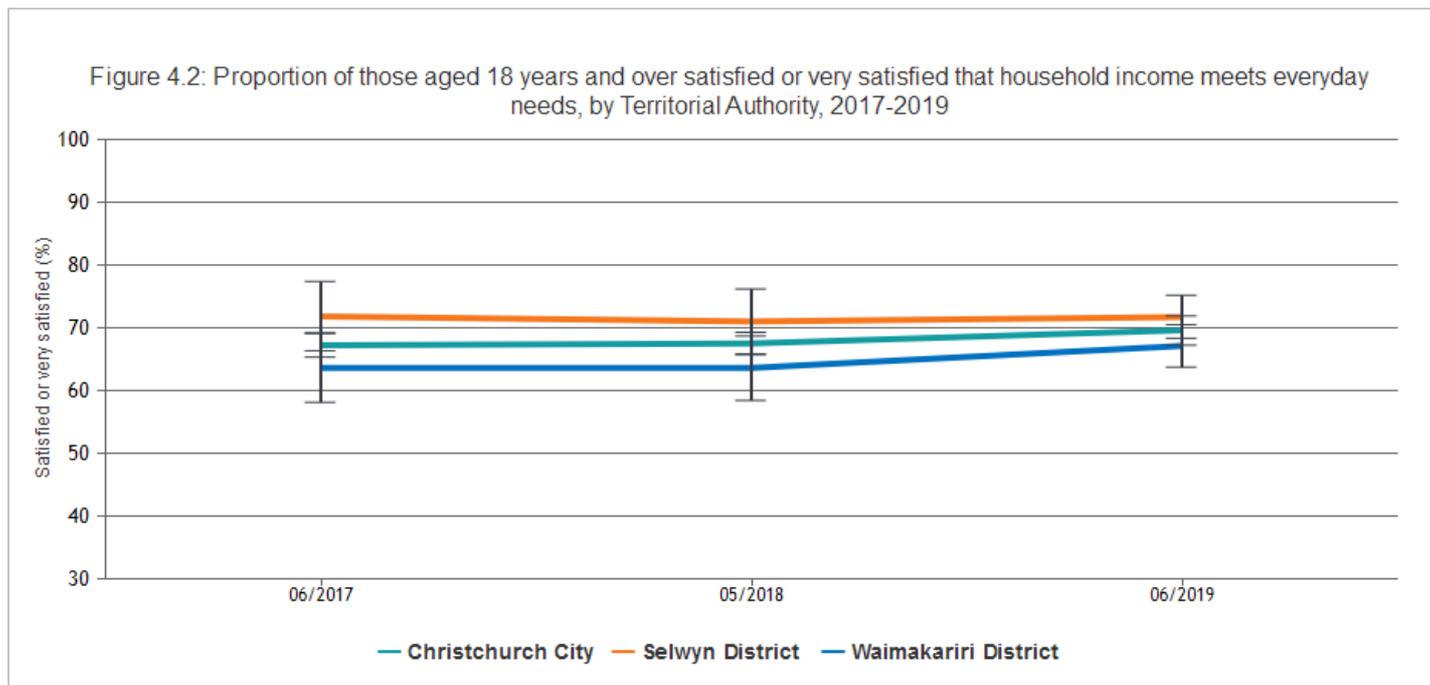
Since 2017, the Canterbury Wellbeing Survey has asked respondents how well their total household income meets their everyday needs (for things such as accommodation, food, clothing and other necessities).

This indicator presents the proportion of respondents who indicated that they were satisfied or very satisfied that their household income meets their everyday needs, from 2017 to 2019.



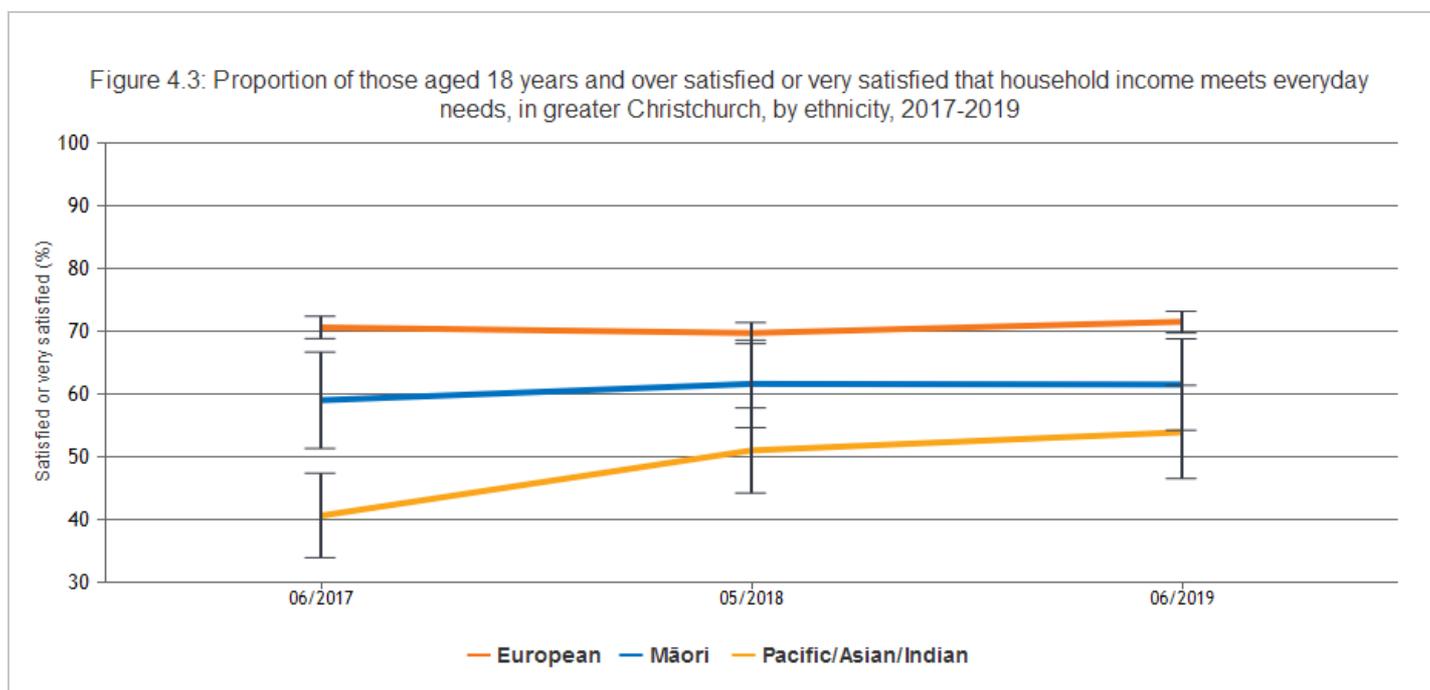
The figure shows, that for greater Christchurch, the proportion of respondents satisfied or very satisfied with their household income (that it meets their everyday needs) has remained relatively constant over the period 2017 to 2019 (67.3% and 69.5% respectively, at these two time-points).

## Breakdown by Territorial Authority



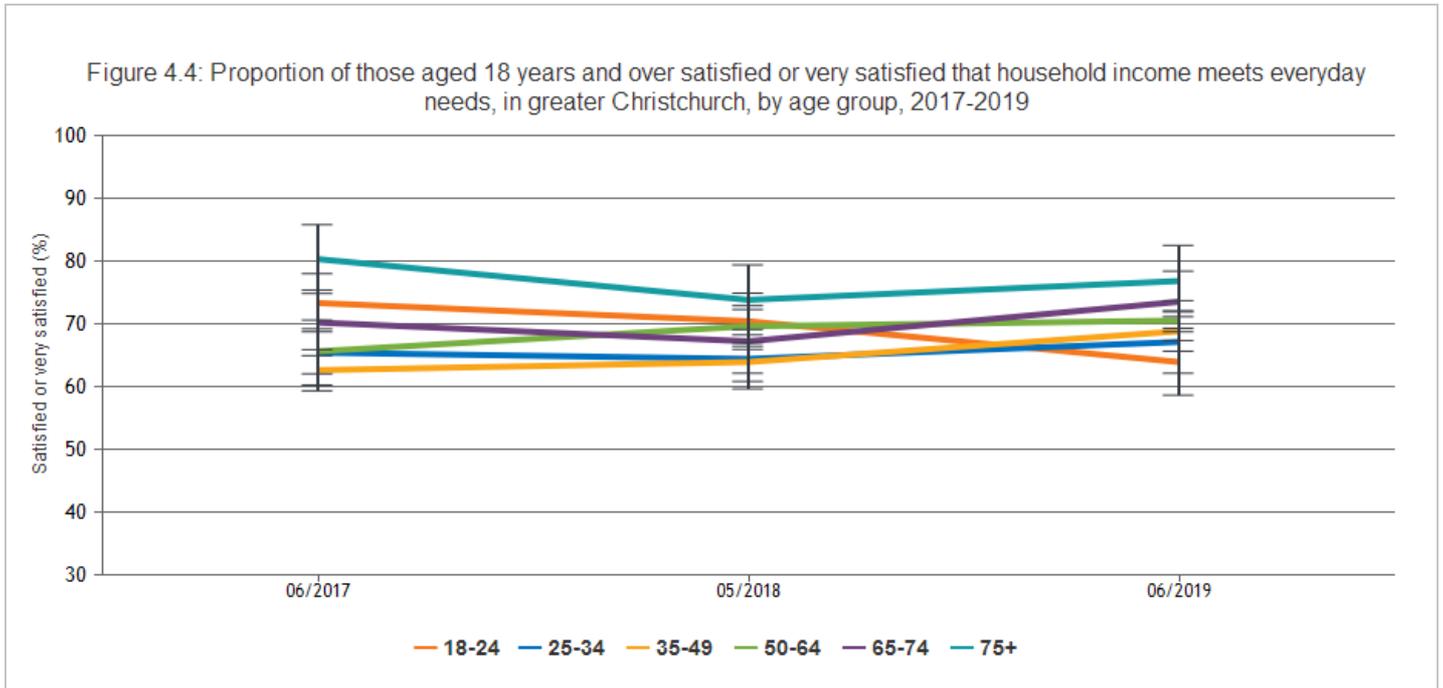
The figure shows that similar proportions of respondents indicated that they were satisfied or very satisfied with their household income across the three Territorial Authorities, from 2017 to 2019 (Christchurch City 69.6%, Selwyn District 71.7%, and Waimakariri District 67.1%, in 2019).

## Breakdown by ethnicity



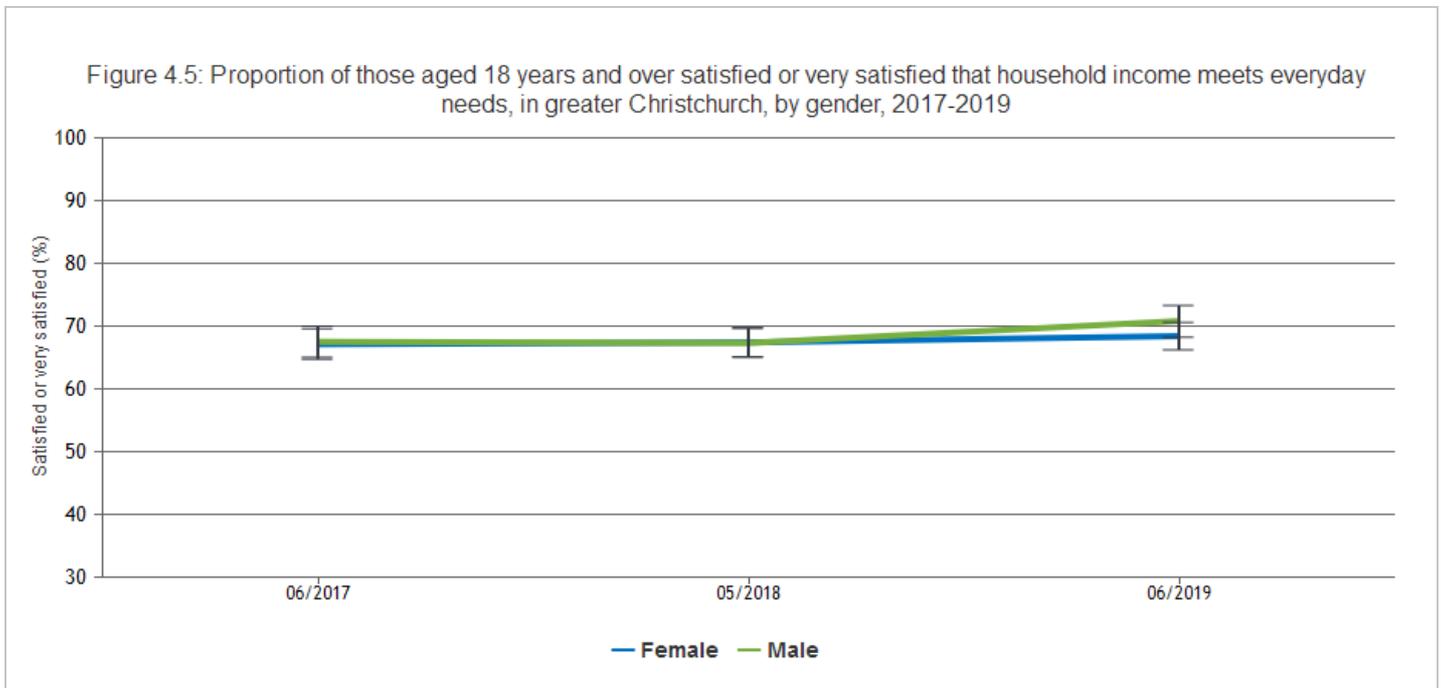
The figure shows respondents' satisfaction with their household income, by ethnicity. In 2017, European respondents' satisfaction with income (70.6%) was statistically significantly higher than Māori respondents' satisfaction with income (59%) and both groups' satisfaction with income was statistically significantly higher than that indicated by Pacific/Asian/Indian respondents (40.6%). The 2019 results show some convergence between the groups, compared with 2017. In 2019, the proportion indicating that they were satisfied or very satisfied with their household income was essentially unchanged for European respondents and Māori respondents but had increased slightly for Pacific/Asian/Indian respondents (71.5%, 61.5%, and 53.9%, respectively). European respondents' satisfaction with income was statistically significantly higher than both Pacific/Asian/Indian respondents' satisfaction and Māori respondents' satisfaction in 2019.

## Breakdown by age



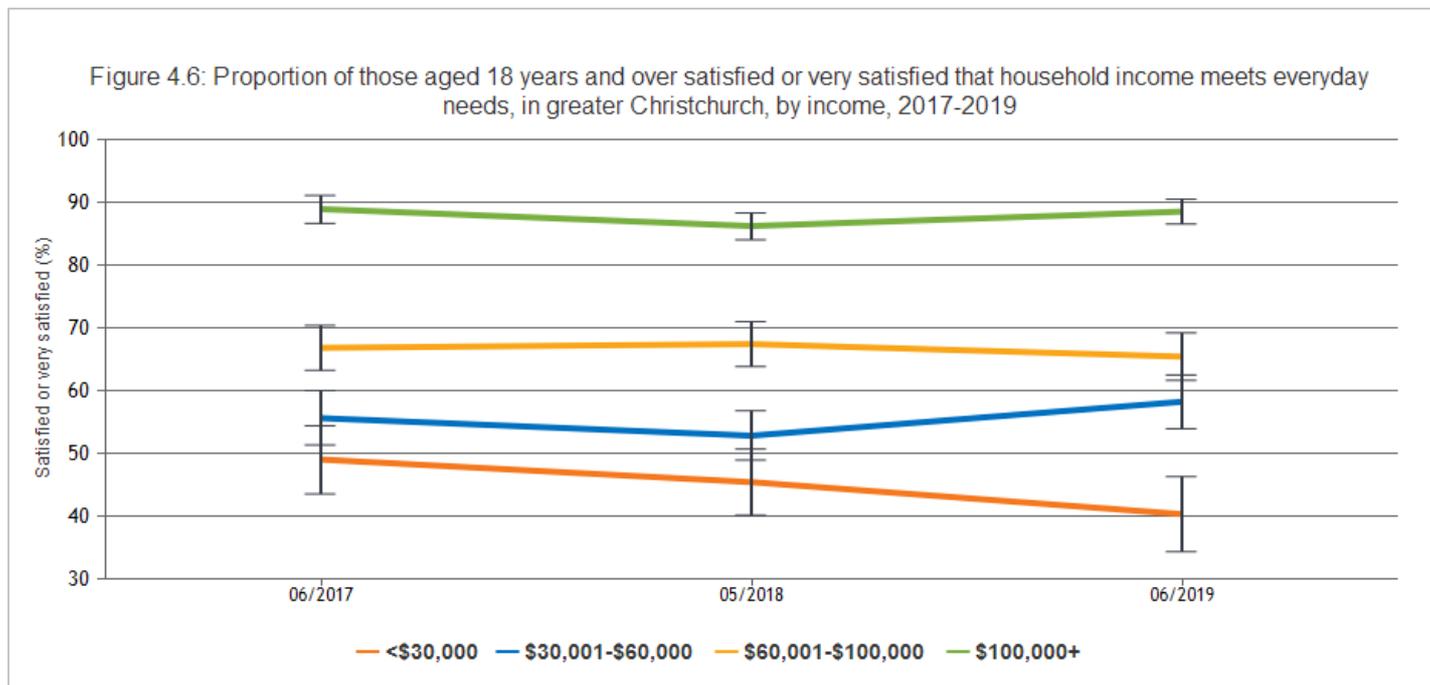
The figure shows a pattern of generally similar satisfaction with income across the age groups for the period 2017 to 2019. In 2018, there were no statistically significant differences between the groups. However, in 2019 the proportion of the 18 to 24 years group satisfied or very satisfied with household income has fallen to be statistically significantly lower than the proportion for the 75+ years age group (63.9% and 76.8% respectively, in 2019).

## Breakdown by gender



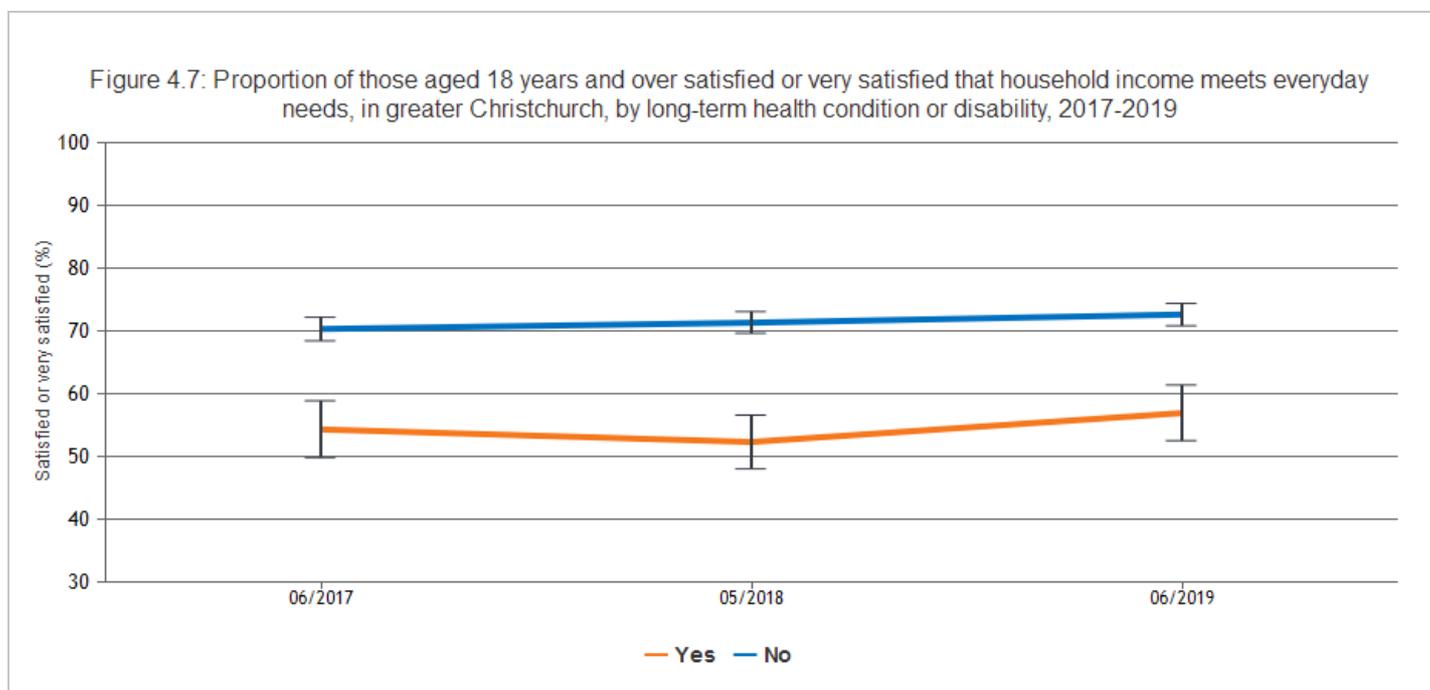
The figure shows a pattern of similar levels of satisfaction with household income (proportion satisfied or very satisfied that their household income meets their everyday needs) for female respondents and male respondents, for the years 2017 to 2019.

## Breakdown by income



The figure clearly shows the underlying relationship between respondents' satisfaction with household income and level of household income, across the four income bands. A substantial and statistically significantly higher proportion of respondents from households earning \$100,000+ indicated that they were satisfied or very satisfied with their household income, compared with the lower income groups (88.5% for \$100,000+ group in 2019, compared with 40.3% for <\$30,000; 58.2% for \$30,001–\$60,000; and 65.4% for \$60,001–\$100,000 groups). At all three time-points, fewer than half of the respondents from the <\$30,000 income group indicated that they were satisfied or very satisfied with their household income.

## Breakdown by disability



The figure shows that from 2017 to 2019 a smaller proportion of respondents with a disability or long-term health condition reported being satisfied or very satisfied with their household income, compared with those without a disability or long-term health condition (54.3% and 70.3% in 2017; 52.3% and 71.3% in 2018; and 56.9% and 72.6% in 2019). The difference between the groups is statistically significant for all time-points.

## Data Sources

**Source:** Canterbury District Health Board.

**Survey/data set:** Canterbury Wellbeing Survey to 2019. Access publicly available data from the Community and Public Health (Canterbury DHB) website [www.cph.co.nz/your-health/wellbeing-survey/](http://www.cph.co.nz/your-health/wellbeing-survey/)

**Source data frequency:** Annually.

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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> **Income data**

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

> **Household income report**

A 2018 report from the Ministry of Social Development on trends in income-based indicators of inequality and hardship, at a national level.