

## 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 disposable weekly household income in greater Christchurch increased steadily from 2019 to 2021. The difference in disposable weekly household income between greater Christchurch and New Zealand overall was +\$38 per week in 2021. Median equivalised disposable weekly household income after housing costs for homeowners and renters (combined) has increased steadily for those in greater Christchurch over the period 2019 to 2021, consistent with the pattern for New Zealand overall. For the period 2019 to 2021, equivalised disposable weekly household income after housing costs for homeowners, was substantially higher than for renters (\$712 for owners; \$530 for renters, in 2021).

The 20th percentile equivalised disposable weekly household income (the dollar amount below which a household is considered to have a 'low' income) increased in greater Christchurch from 2019 to 2021, from \$452 to \$499, and appears to be continuing at a slightly 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 (data not shown).

Approximately two-thirds of greater Christchurch respondents indicated that they were satisfied or very satisfied that their household income meets everyday needs in 2022, and this proportion is lower than the previous three years.

There has been no significant change in child poverty indicators between 2018/2019 and 2020/2021 for the Canterbury region, and there is no significant difference between the Canterbury region and New Zealand as a whole.

### Key equity issues within income

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

households.

## What this means for wellbeing

The overall picture for income in greater Christchurch shows increases in equivalised disposable weekly income, household disposable income after housing costs (less so for renters), and 20th percentile household incomes, over the last three or four years. However, the favourable trends appear less pronounced in the most recent data. Further, these data also suggest that the improvements seen in the income indicators are not uniform across the whole population of greater Christchurch and ethnicity and age-based differences in residents' income levels are evident.

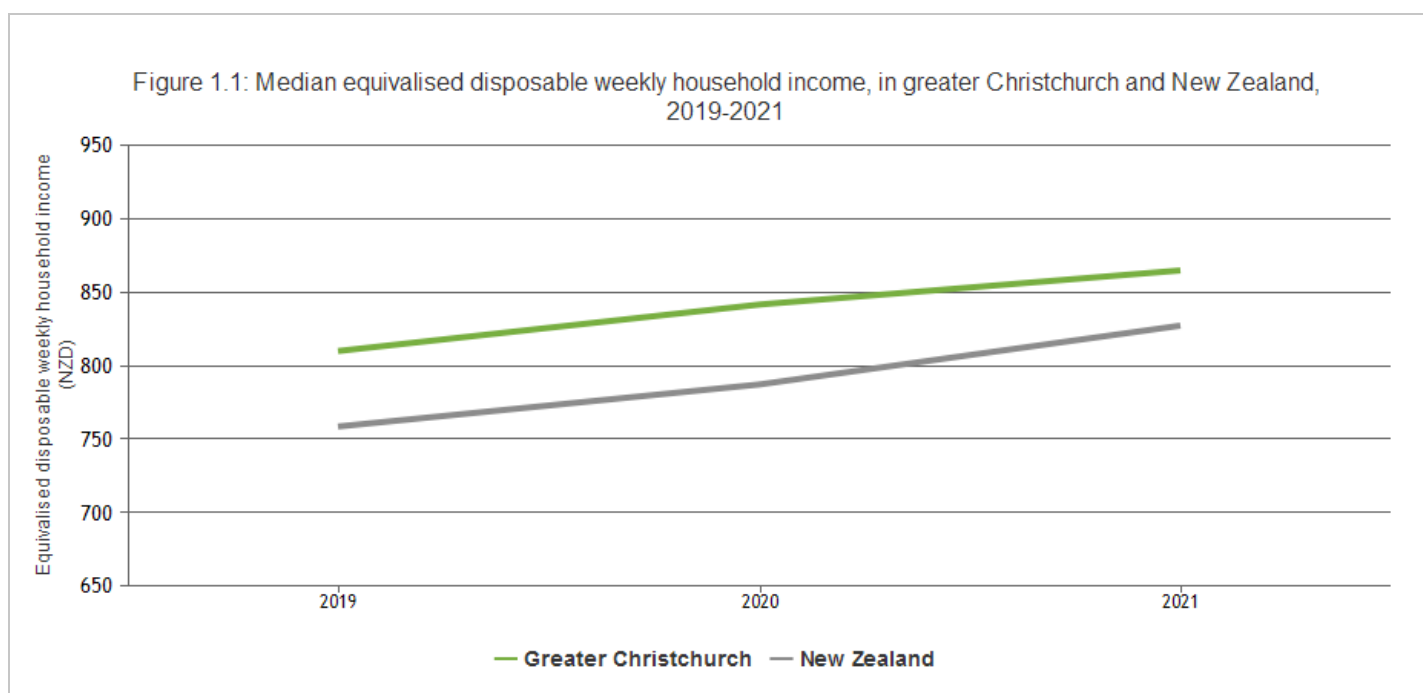
## Indicators in this domain

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

## HOUSEHOLD INCOME

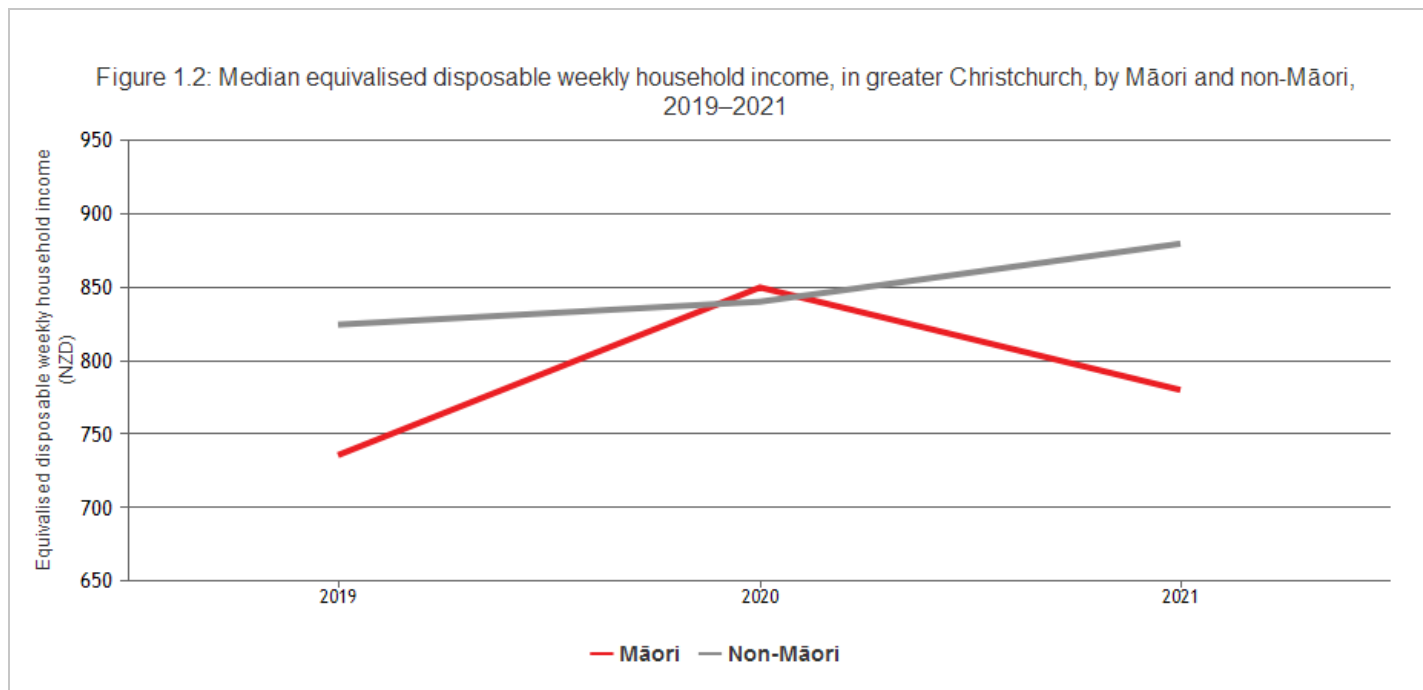
With an adequate income, a household can access essential services and items and can participate in social and recreational activities in the community. For families with sufficient income, children are more likely to experience higher educational achievement, higher economic status in their adult life, 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 disposable (after tax) weekly household income for greater Christchurch and New Zealand, 2019 to 2021 (excluding investment income). Median disposable household income is the dollar amount whereby half the households have a disposable 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 disposable weekly household income in greater Christchurch increased year-on-year, by approximately \$55 overall between 2019 and 2021; compared with a \$69 increase across New Zealand in the same time period. The difference between greater Christchurch and New Zealand overall was +\$38 per week in 2021.

## Breakdown by ethnicity



The figure shows a substantial income disparity between Māori and non-Māori ethnic groups in greater Christchurch for 2019–2021. Equivalised disposable weekly household income for Māori shows notable variability, due to smaller absolute numbers, but there is a picture of lower disposable weekly household income (compared with non-Māori). In 2021, the median equivalised disposable weekly household income in greater Christchurch for Māori was substantially below that of non-Māori (\$780 for Māori and \$880 for non-Māori; \$100 difference). This approximately 12 percent difference (Māori vs non-Māori) in greater Christchurch is consistent with that previously reported for New Zealand overall [6].

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand Household Economic Survey. 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 weekly disposable income that households have after housing costs have been deducted. 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].

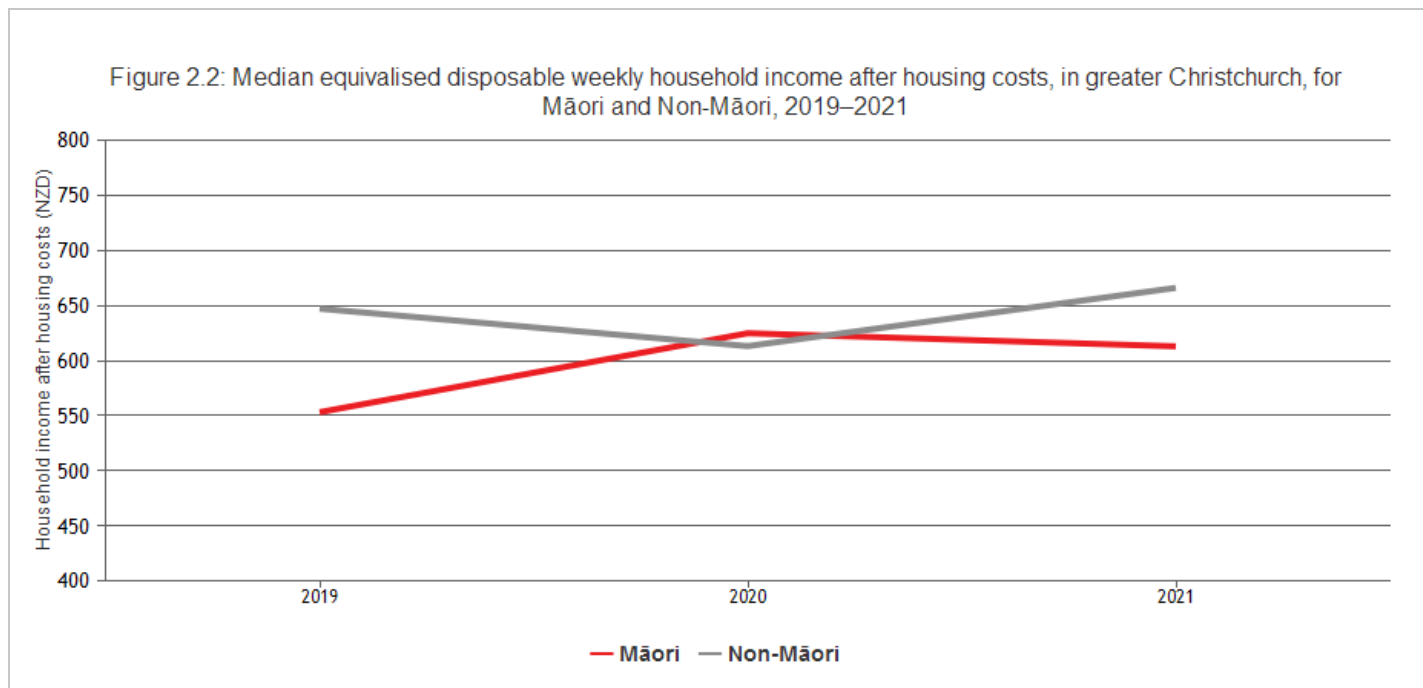
With an adequate 'residual income', a household can better access essential services and items; such as food, health services, and transport, and can participate in social and recreational activities in the community. Having sufficient income is also associated with better educational and economic outcomes, 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 disposable weekly household income after housing costs, for homeowners and renters (combined). Housing costs include combinations of rent, mortgage (principal and interest), insurance, rates, and other housing expenses not elsewhere classified but exclude repairs and maintenance.



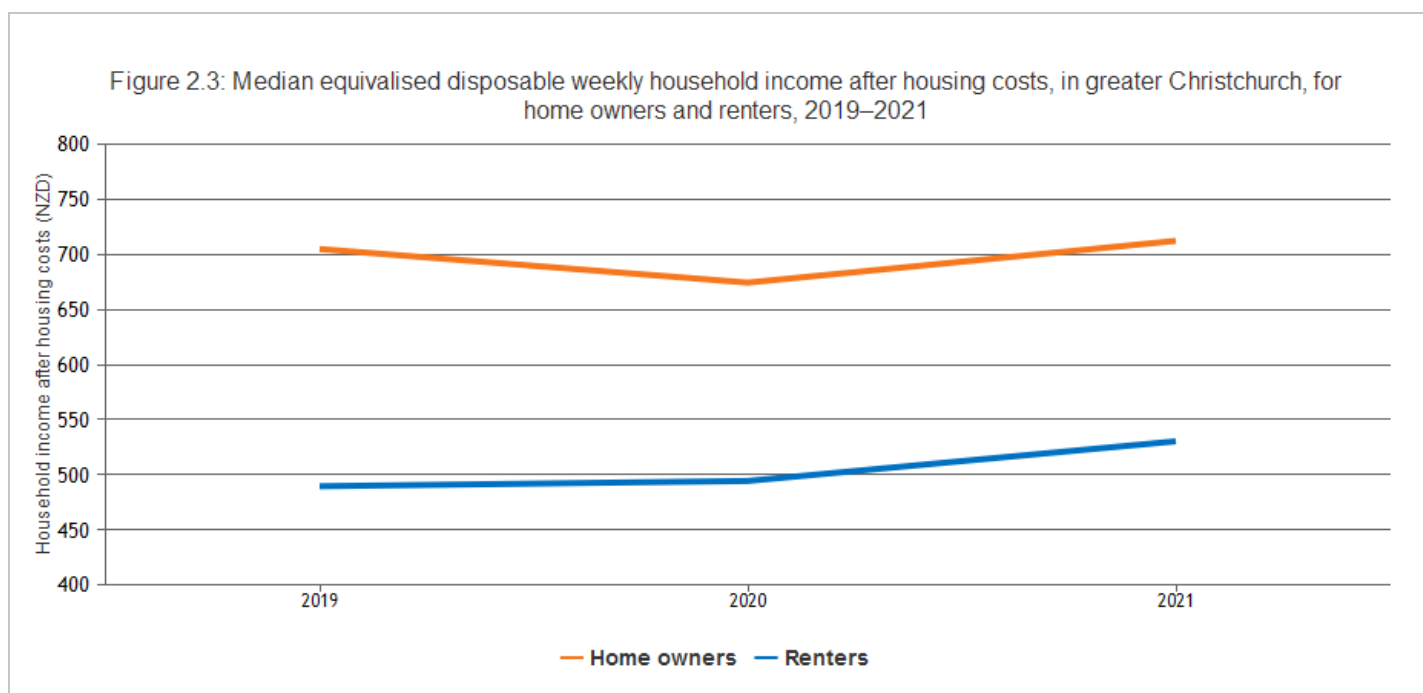
The figure shows that median equivalised disposable weekly household income after housing costs for homeowners/renters has increased for those in greater Christchurch and for New Zealanders overall, since 2019 (an approximately \$40 increase from 2019 to 2021 for greater Christchurch).

## Breakdown by ethnicity



The figure shows a substantial overall income disparity between Māori and non-Māori ethnic groups in greater Christchurch for 2019–2021. In 2021, the median equivalised disposable weekly household income after housing costs in greater Christchurch for Māori was substantially below that of non-Māori (\$613 for Māori and \$666 for non-Māori; \$53 difference).

## Breakdown by tenure



The figure shows that median equivalised disposable weekly household income after housing costs for renters, has increased for those in greater Christchurch, between 2019 and 2021 (an approximately \$40 increase from \$490 in 2019 to \$530 in 2021) but less so for homeowners (an approximately \$7 increase from \$705 to \$712). For the period 2019 to 2021, equivalised disposable weekly household income after housing costs, for homeowners was substantially higher than for renters (\$712 for owners; \$530 for renters, in 2021).

## Data Sources

**Source:** Statistics New Zealand.

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## LOW HOUSEHOLD INCOME

The 20th percentile equivalised disposable 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. Disposable 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 disposable 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).

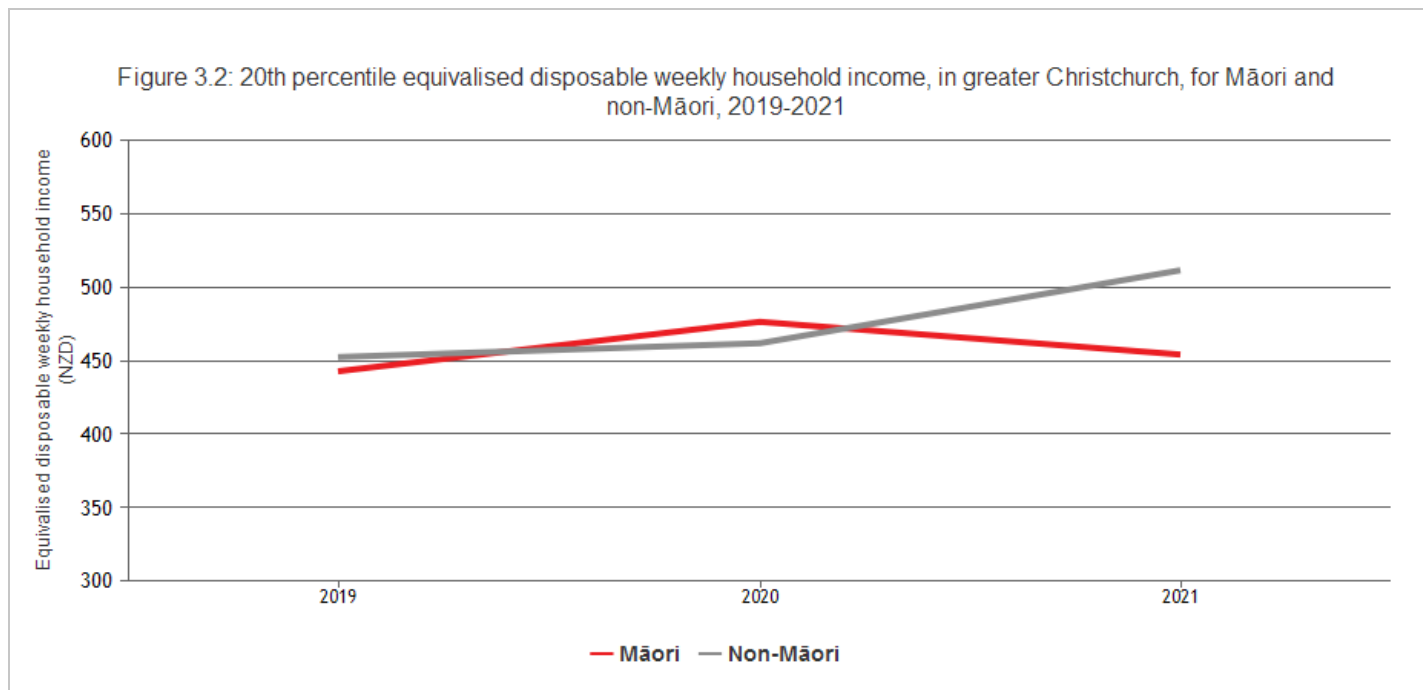
This indicator presents the 20th percentile equivalised disposable weekly household income for greater Christchurch and New Zealand, from 2019 to 2021.



The figure shows that the 20th percentile for equivalised disposable weekly household income increased in greater Christchurch from 2019 to 2021 (\$452 and \$499, respectively). The overall trend is comparable to that for New Zealand overall, but at a slightly higher income level (greater Christchurch, \$17 higher than New Zealand, 2021).



## Breakdown by ethnicity



The figure shows similar disposable weekly household income for Māori and non-Māori in greater Christchurch in 2019 and 2020, and a substantial income disparity in 2021. In 2021, the 20th percentile equivalised disposable weekly household income in greater Christchurch for Māori was substantially below that of non-Māori (\$454 for Māori and \$511 for non-Māori; \$57-difference).

### Data Sources

**Source:** Statistics New Zealand.

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

**Source data frequency:** Annually.

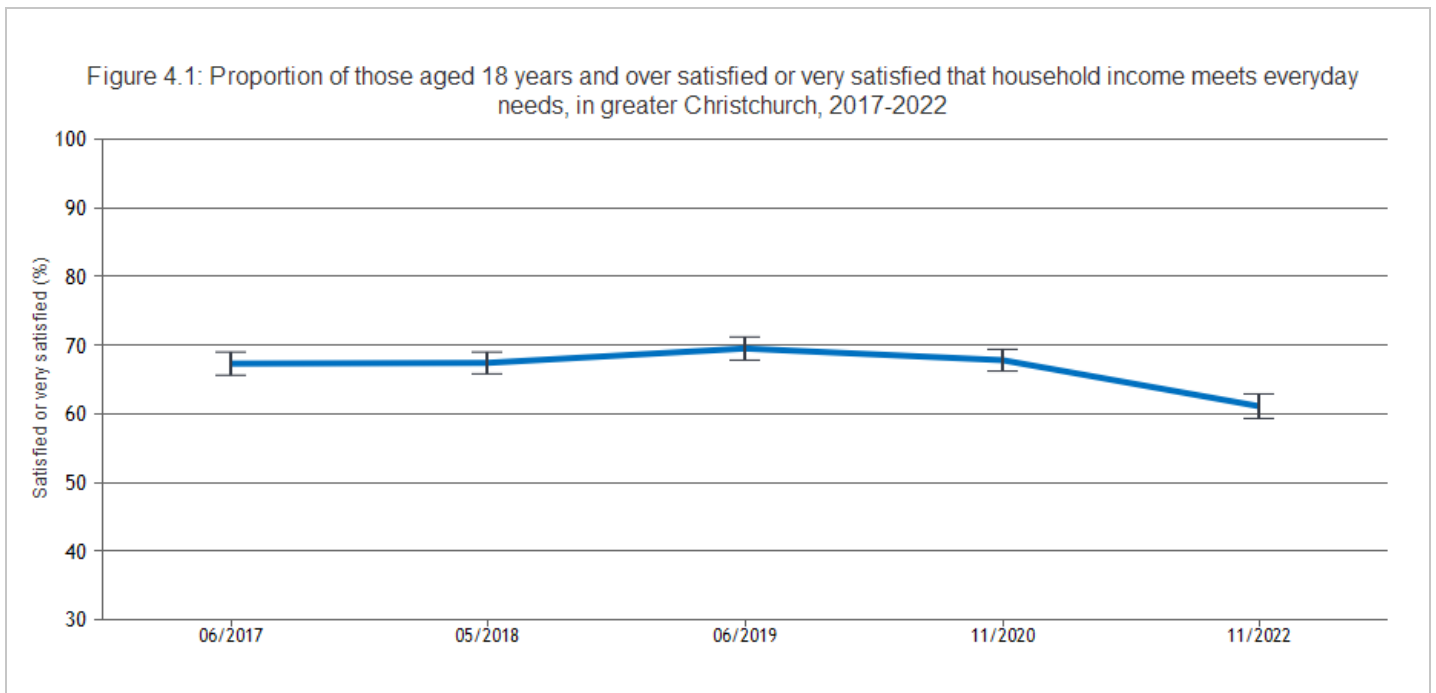
Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/index-data>

# 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].

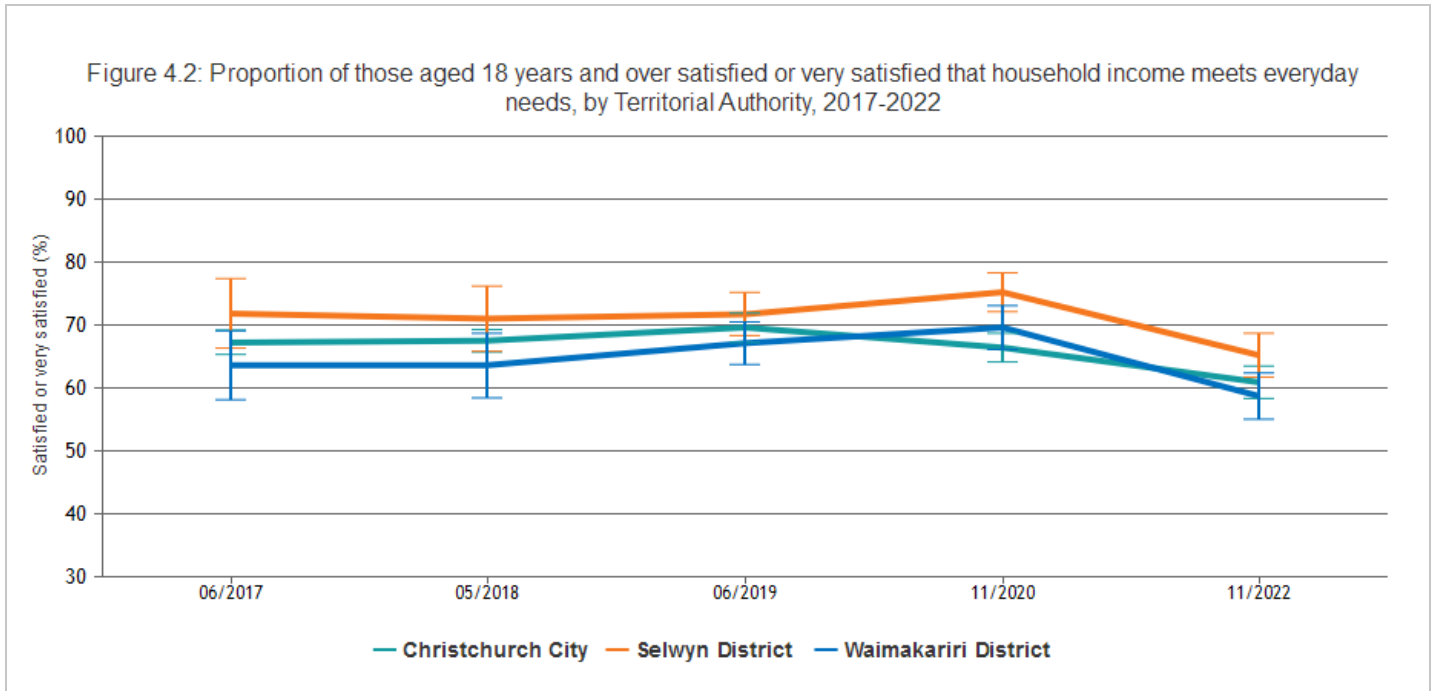
Since 2017, the Canterbury Wellbeing Survey has asked respondents how well their total household income meets their everyday needs (for things such as accommodation, food, clothing and other necessities).

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 2022.



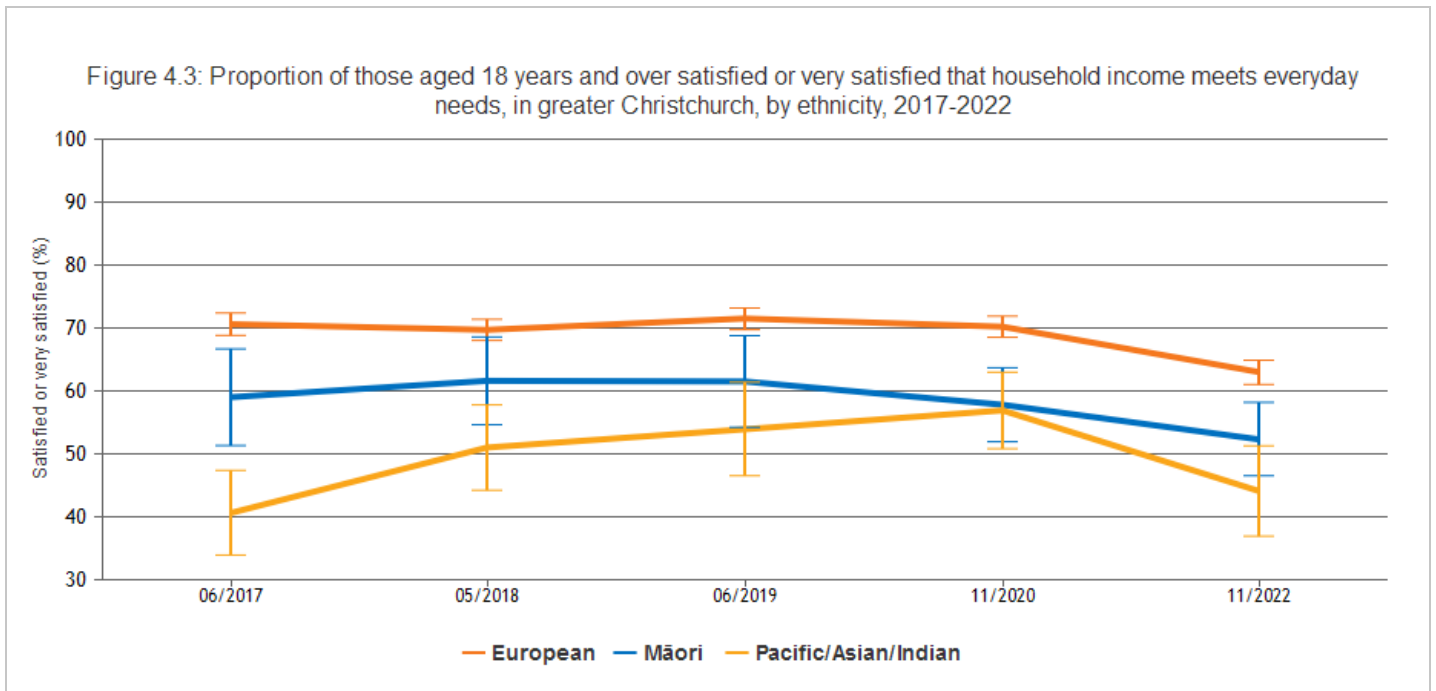
The figure shows, that for greater Christchurch, the proportion of respondents satisfied or very satisfied with their household income (that it meets their everyday needs) has declined steadily over the period mid-2019 to late-2022 (69.5% to 61.1%).

## Breakdown by Territorial Authority



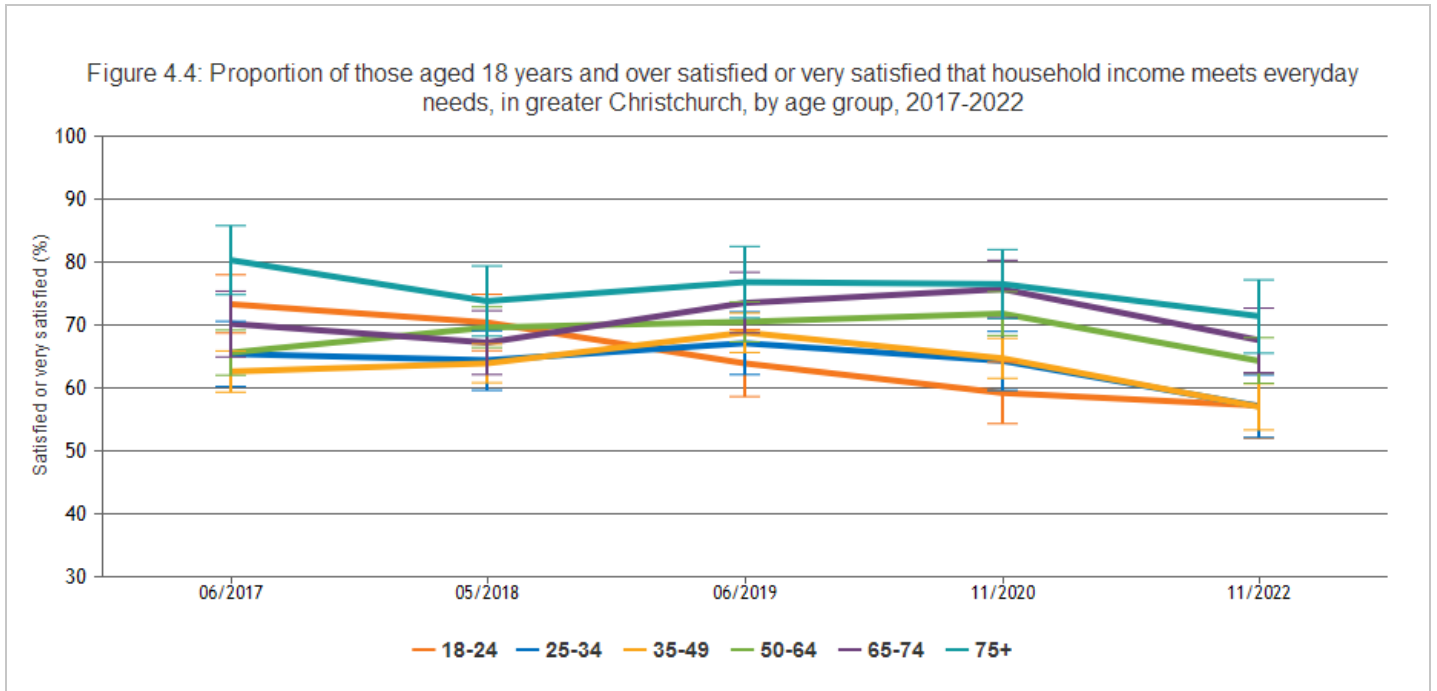
The figure shows that similar proportions of respondents indicated that they were satisfied or very satisfied with their household income across the three Territorial Authorities, from 2017 to 2022.

## Breakdown by ethnicity



The figure shows respondents' satisfaction with their household income, by ethnicity. European respondents' satisfaction with income was statistically significantly higher than both Māori respondents' satisfaction and Pacific/Asian/Indian respondents' satisfaction in 2019, 2020 and 2022 (63%, 52.3%, and 44.1% respectively, in 2022).

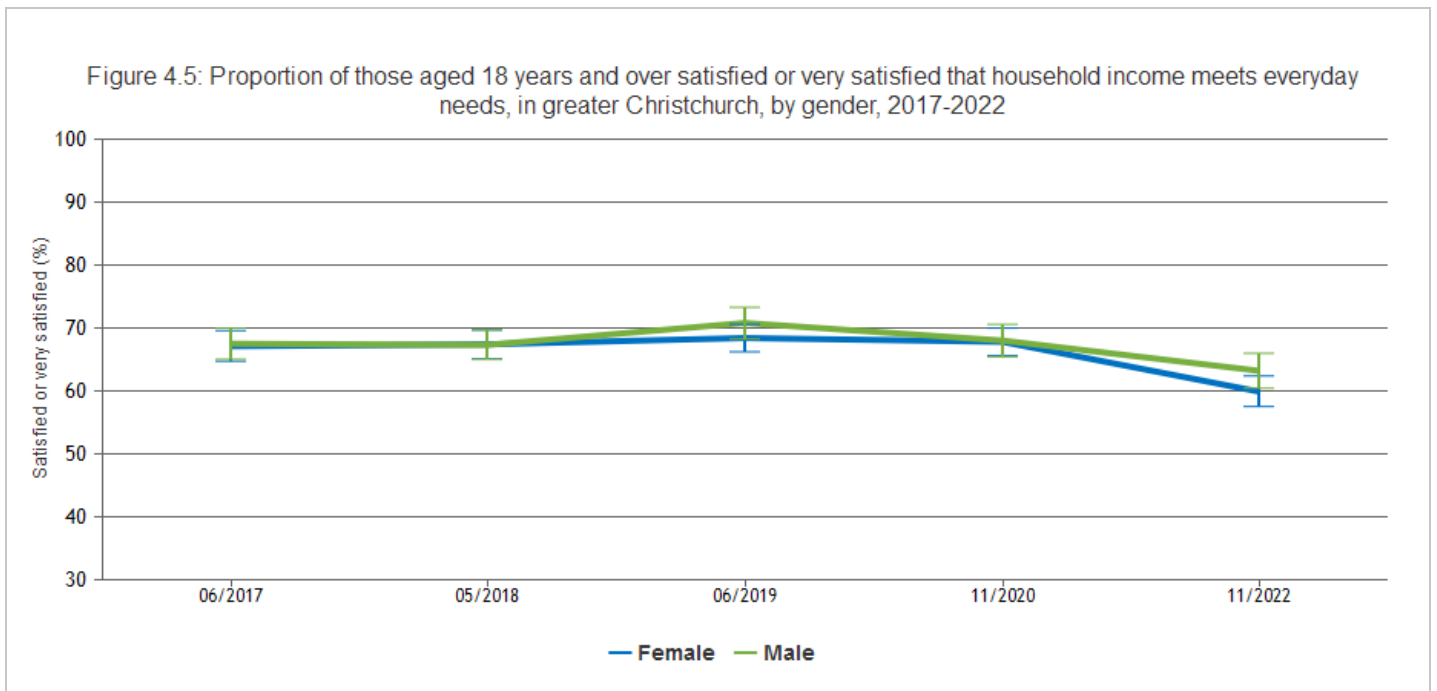
## Breakdown by age



The figure shows a pattern of generally similar satisfaction with income across the age groups for the period 2017 to 2020. However, in 2022 the proportion of the 18 to 24 years group satisfied or very satisfied with their household income (57.2%) has fallen to be statistically significantly lower than the proportion for the 65 to 74 years (67.6%), and 75+ years (71.4%) age groups.

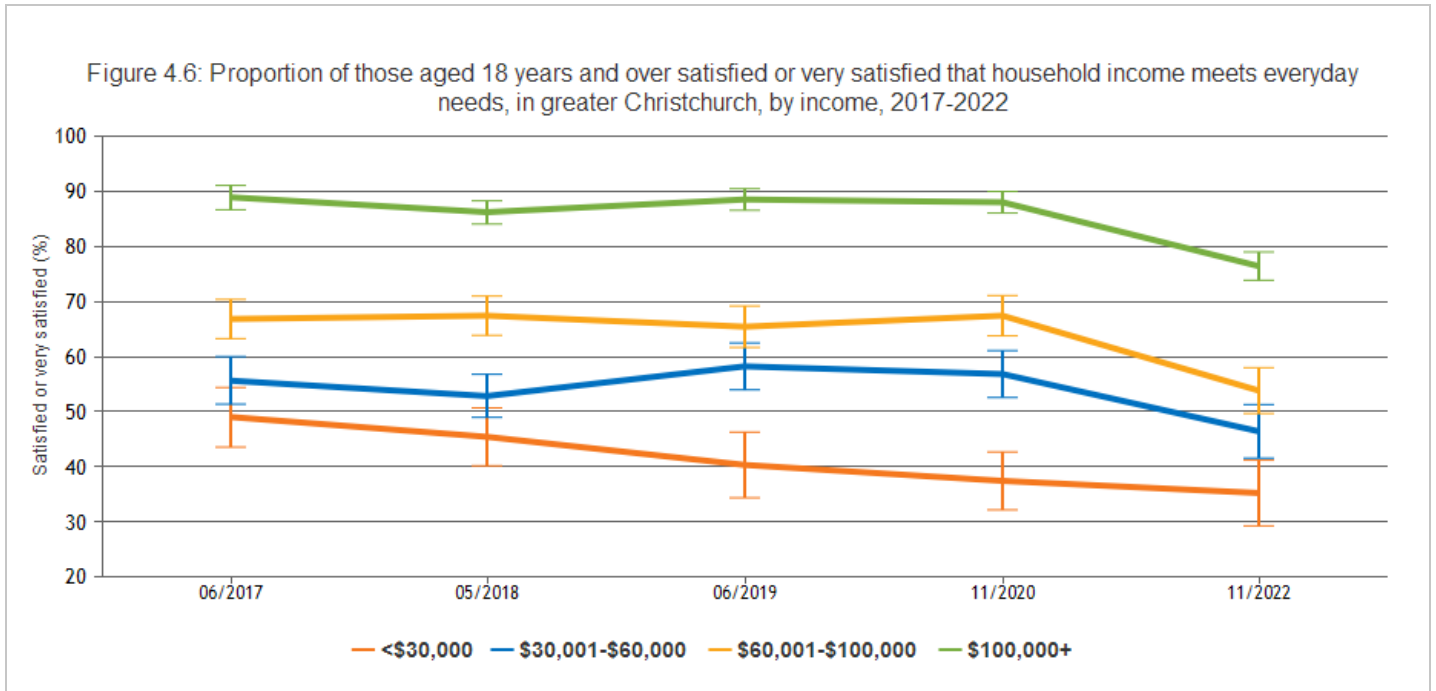
Similarly, the proportion of the 25 to 34 years age group (57.1%) and 35-49 years age group satisfied or very satisfied with their household income (57%) has fallen to be statistically significantly lower than the proportion for the 65 to 74 years and 75+ years age groups in 2022.

## Breakdown by gender



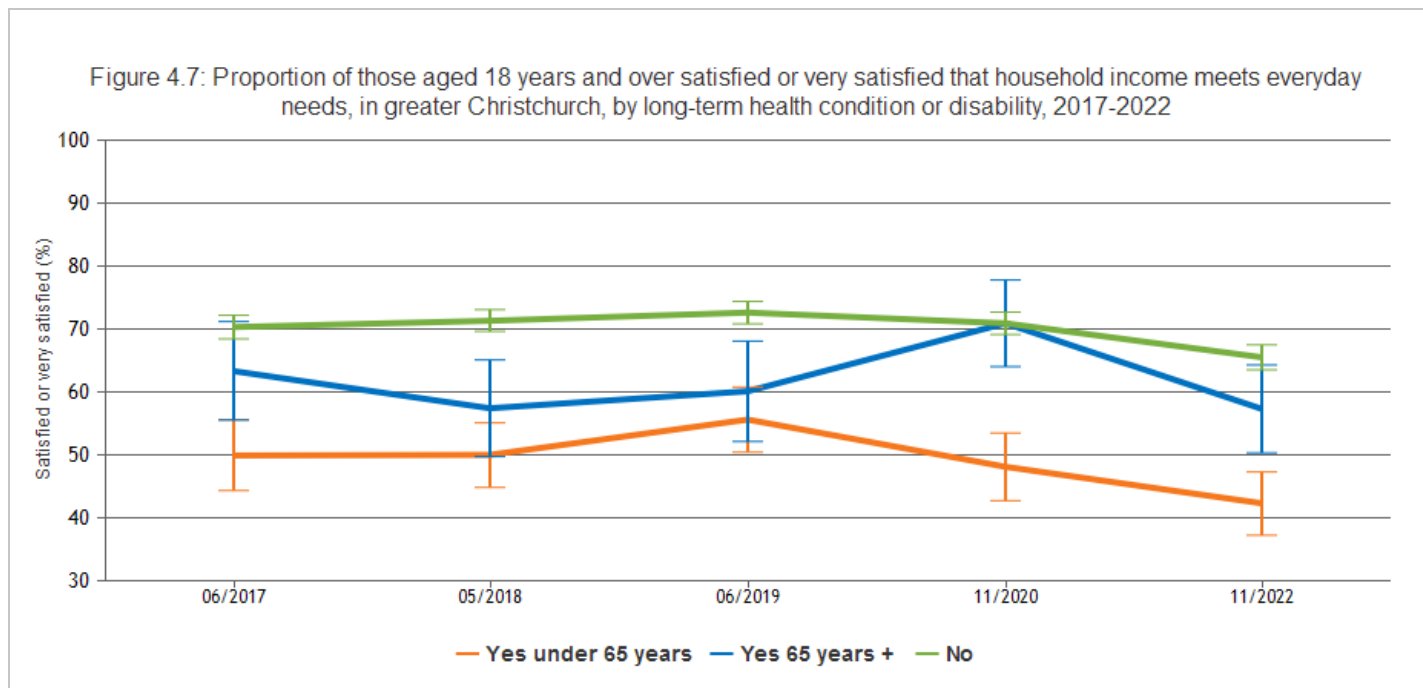
The figure shows a pattern of similar levels of satisfaction with household income (proportion satisfied or very satisfied that their household income meets their everyday needs) for female respondents and male respondents, for the years 2017 to 2022.

## 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 (76.4% for \$100,000+ group in 2022, compared with 35.2% for <\$30,000; 46.4% for \$30,000–\$60,000; and 53.8% for \$60,001–\$100,000 groups). Between 2017 and 2022, there was a statistically significant 13.8 percentage point decrease in satisfaction with household income for respondents in the <\$30,000 income group (from 49.0% in 2017 to 35.2% in 2022).

## Breakdown by disability



The figure shows that from 2017 to 2022 a statistically significantly smaller proportion of younger respondents with a disability or long-term health condition (aged under 65 years) reported being satisfied or very satisfied with their household income, compared with those without a disability or long-term health condition (42.3% and 65.5% in 2022, respectively). There was no statistically significant difference for older respondents with a long-term health condition or disability in 2020 or 2022 (57.3% satisfied or very satisfied, 2022).

### Data Sources

**Source:** Te Whatu Ora Waitaha Canterbury.

**Survey/data set:** Canterbury Wellbeing Survey to 2022. Access publicly available data from the Te Mana Ora | Community and Public Health 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>

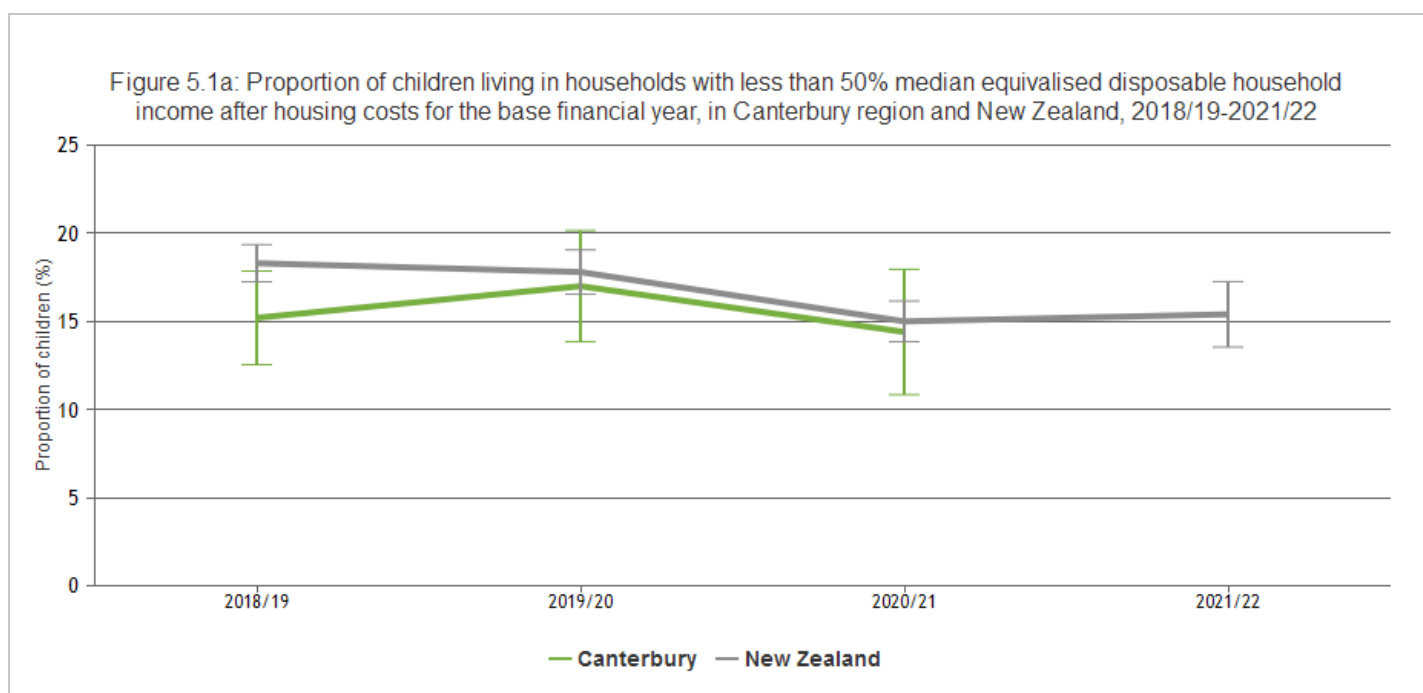
## CHILD POVERTY

Children growing up in poverty are more likely to experience poor health, cognitive, educational, social-emotional and behavioural outcomes [14,15]. These can also extend into adulthood [16,17], impacting their future potential. Poverty experienced over long periods is particularly harmful [14]. Poverty and low income contribute to parental stress, and material hardship - the inability to access resources for day-to-day living including nutritious food, quality housing, and prompt medical care [14].

This indicator has two parts: the proportion of children living in low-income households and the proportion of children living in material hardship. Both sub-indicators are based on the Government's four primary measures of poverty and hardship, for which national targets have been set [18].

### Low income households

This sub-indicator presents the proportion of children living in low-income households for the Canterbury region and New Zealand from 2018/2019 to 2021/2022. However, due to reduced data collection, sample errors for all measures and breakdowns were larger than in previous years, and regional figures are not available for 2022. Low income means the household has an equivalised disposable income, after housing costs are deducted, below half of the New Zealand median income. 'Equivalised' household income means that the dollar amounts have been adjusted based on the number of adults and age and number of children in the household. The national three-year 'intermediate' target is to reduce the proportion of children living in low-income households (after housing costs are deducted) to 19 percent by 2020/21 [18].

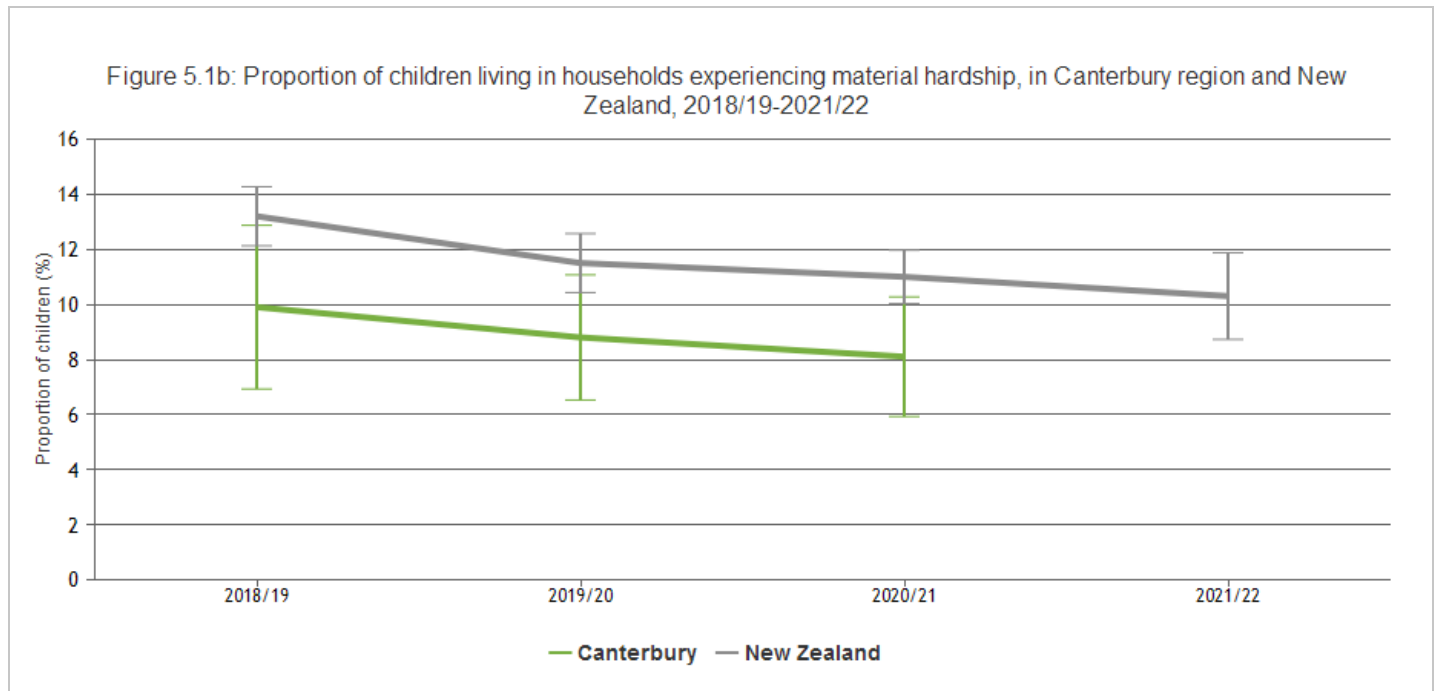


The figure shows that the proportion of children living in low-income households was statistically similar in the Canterbury region and New Zealand overall between 2018/2019 and 2020/2021 (14.4% in the Canterbury region and 15% in New Zealand overall in 2020/2021). No statistically significant change in the proportion of children living in low-income households was observed between 2018/2019 and 2020/2021 for either Canterbury or New Zealand.

### Material hardship

This sub-indicator presents the proportion of children living in households experiencing material hardship, for the Canterbury region and New Zealand for 2018/2019 and 2021/2022. However, due to reduced data collection, sample errors for all measures and breakdowns were larger than in previous years, and regional figures are not available for 2022. The term material hardship is defined as a household lacking six or more items in the DEP-17 index (a New Zealand-specific deprivation index). Meeting this definition means that the household is missing out on some of the things that could be expected in a typical household, for

example eating fresh fruit or vegetables regularly, having suitable clothing and shoes, and being able to give gifts to family and friends on special occasions. The national three-year 'intermediate' target is to reduce the proportion of children living in material hardship to 10 percent by 2020/21 [18].



The figure shows that a lower proportion of children in the Canterbury region were living in households experiencing material hardship than in New Zealand overall from 2018/2019 to 2020/2021 (8.1% in the Canterbury region compared to 11 percent in New Zealand in 2020/2021). However, the differences shown are not statistically significant at any timepoint. Overall, the proportion of children living in households experiencing material hardship has decreased over the time-series shown, in both the Canterbury region and New Zealand overall. The decrease is not statistically significant for Canterbury (to 2020/21), however, the decrease for New Zealand overall between 2018/19 (13.2%) and 2021/22 (10.3%) is statistically significant.

### Data Sources

**Source:** Statistics New Zealand.

**Survey/data set:** New Zealand Household Economic Survey (HES, Income). Access publicly available data from the Statistics New Zealand website: [www.stats.govt.nz/information-releases/child-poverty-statistics-year-ended-june-2022](http://www.stats.govt.nz/information-releases/child-poverty-statistics-year-ended-june-2022).

**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 2019 report from the Ministry of Social Development on trends in income-based indicators of inequality and hardship, at a national level.

> **Child and youth wellbeing**

A government website that presents the New Zealand Child and Youth Wellbeing Strategy alongside actions and indicators against strategy outcomes.