

Income: Low household income

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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.

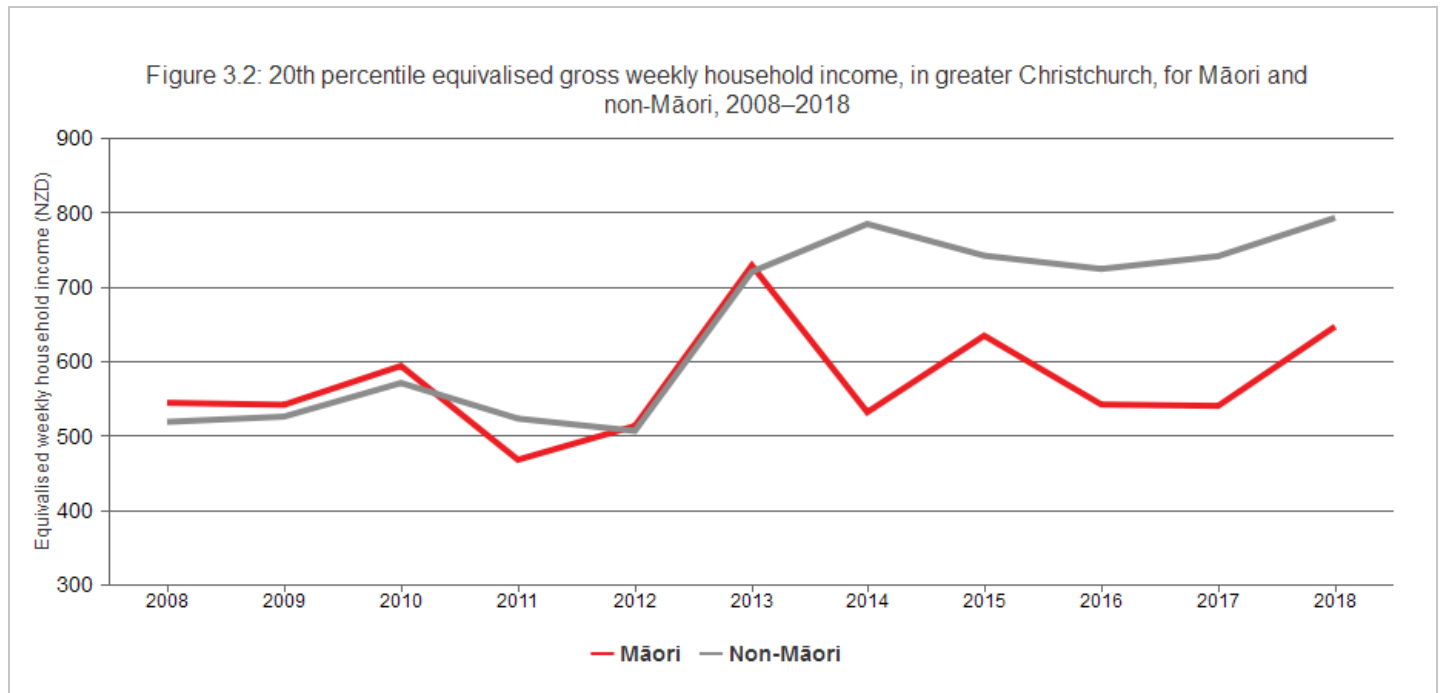
The 20th percentile is a useful measure for illustrating the income level below which households' real-life consumption possibilities will be severely limited, largely because meeting accommodation costs requires a large proportion of their weekly income. The 20th percentile income threshold indicates 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/our-wellbeing/index-data>

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