

Average Hourly Earnings

What this is about...

Average hourly earnings link to overall income levels, which is a key contributor to quality of life. Earning levels affect how much disposable income people have, and therefore how much they can spend on food and other retail goods, and on housing and services such as health care. Low household income is associated with poorer health outcomes and health risk factors.¹³¹ Wage growth is also an indicator of economic vitality and activity.

The indicator of average hourly earnings is the amount earned in dollars, averaged on an hourly basis.^{132 133}

What did we find ?

- From 1995 to 1999, the average hourly wage increased in New Zealand.
- In dollar terms, average hourly earnings are highest in Wellington, at \$21.26 in 1999 and lowest in Waitakere, at \$15.81 in 1999. Waitakere is the only one of the six largest cities in which the average hourly earning in dollars is less than that for the rest of New Zealand (\$16.34). This is in line with findings that Waitakere also has a high proportion of low-income earners - in 1996, 54% of the population aged over 15 years had a personal annual income of less than \$20,000 p.a.. This is likely to be related to the younger population structure and to a greater proportion of the population being in lower occupational groups. While Manukau similarly has a high proportion of low income earners, slightly more of its population is in the highest income bracket, which may be increasing the overall average hourly rate.
- While on average people earn more per hour in the large cities than in the rest of New Zealand, this is to an extent off-set by higher living costs in some areas in the cities, and particularly higher housing costs.

AVERAGE HOURLY EARNINGS, BY CITY (1995 TO 1999)

	1995 (\$)	1996 (\$)	1997 (\$)	1998 (\$)	1999 (\$)
Auckland	16.71	17.29	18.00	18.49	19.54
Manukau	15.42	15.94	16.63	17.17	17.69
North Shore	14.93	15.48	16.38	16.78	17.14
Waitakere	13.77	14.22	14.80	15.31	15.81
Wellington	18.73	19.47	20.53	20.90	21.26
Christchurch	14.70	15.16	15.85	16.34	16.83
Rest of NZ	14.56	14.94	15.56	15.96	16.34

Data Source: Statistics New Zealand

A clear gender gap remains in earnings. In all cities and across New Zealand average hourly earnings for women are below those of men. The labour force participation rate for women is significantly lower than for men, and women are more likely to have interrupted working lives due to child care, to be in part-time employment and tend to be concentrated into a narrower range of less well paid occupations.¹³⁴

In 1999, the gender gap in earnings ranged from 8.1% in Waitakere up to 24% in Wellington. However, in Waitakere both women and men earn less per hour on average than women in Wellington, reflecting lower overall income levels in Waitakere. Across New Zealand and in North Shore, Waitakere, and Christchurch Cities the gender gap has diminished during the period 1995 to 1999. However it has remained relatively static in Auckland, Manukau and Wellington Cities.

131 Ministry of Health. 2000. Social Inequalities in Health: New Zealand 1999

132 Data source for the indicator is Statistics New Zealand Quarterly Employment Survey.

133 As this indicator uses averages, it may hide wide disparities between very high and low amounts. For example, while Manukau City has a relatively high and increasing average hourly figure, there are significant discrepancies among high and low income earners in that city.

134 Ministry of Women's Affairs. Briefing for the Incoming Minister 1999. www.mwa.govt.nz. In 1996 just under half of all employed women in New Zealand worked as either clerical or sales and service workers. In September 1999, 37% of employed women worked part-time compared with 11% of employed men.