

Income

What this is about...

This section focuses on household and personal income of citizens in the six largest cities and is based on Census data.

Income is a key determinant of individual, family and community wellbeing and is the single most important modifiable determinant related to health and quality of life in general. Income levels indicate the ability of citizens to meet their needs and directly correlates with their conditions of health, education, social interaction, housing, leisure and general life style.

It should be noted that income data in this section has not been equivalised, that is, it has not been adjusted to take into account household composition.

What did we find ?

MEDIAN HOUSEHOLD INCOME

- With the exception of Christchurch City, median household income tends to be higher in the six cities than in the rest of New Zealand. This is partly off-set by the higher costs of living in cities.
- Between 1991 and 1996 there was a national increase in median household income of 12.6%. Most cities followed the national trend, with the exception of Auckland City. In Auckland the median household income for the 1991 to 1996 period increased by 23%, from \$34,189 to \$42,164 per annum. A possible reason for this was the rapid pace of gentrification¹² across a number of key wards and suburbs bordering the central city, drawing in young upwardly mobile professionals with higher incomes.
- Large variations within cities are often lost when city wide medians are focussed on. For example, in Christchurch, the 1996 median household for the Fendalton Ward was \$40,935, whereas in the Hagley Ward it was only \$25,335. Similarly in Manukau City, the Howick Ward had a median household income of \$53,208 whereas \$36,005 was the median in the Otara Ward.

MEDIAN HOUSEHOLD INCOME, BY CITY (1991 AND 1996)

	1991 (\$)	1996 (\$)
Auckland	34,189	42,164
Manukau	37,078	42,772
North Shore	41,719	46,997
Waitakere	36,335	41,605
Wellington	46,039	50,998
Christchurch	29,336	32,962
Total New Zealand	30,910	34,825

Data Source: Statistics New Zealand

PERSONAL INCOME – ENDS OF THE SCALE

In 1996, the median personal income nationally was \$15,603 (of all persons aged 15 years and over).¹³ There has been much concern at the growing gap between income earners at the lower and upper ends of the scale in recent years.

12 Gentrification is where older areas are renovated and upgraded, usually by more affluent households moving into the area, thus forcing lower income households out of these areas.

13 Personal income data presented in this section covers all income sources, for example from employment, own business, asset ownership, superannuation and capital income. This data covers the general population within the age bracket, including those working, those not working, students and retired people. People who had a zero income are also included.

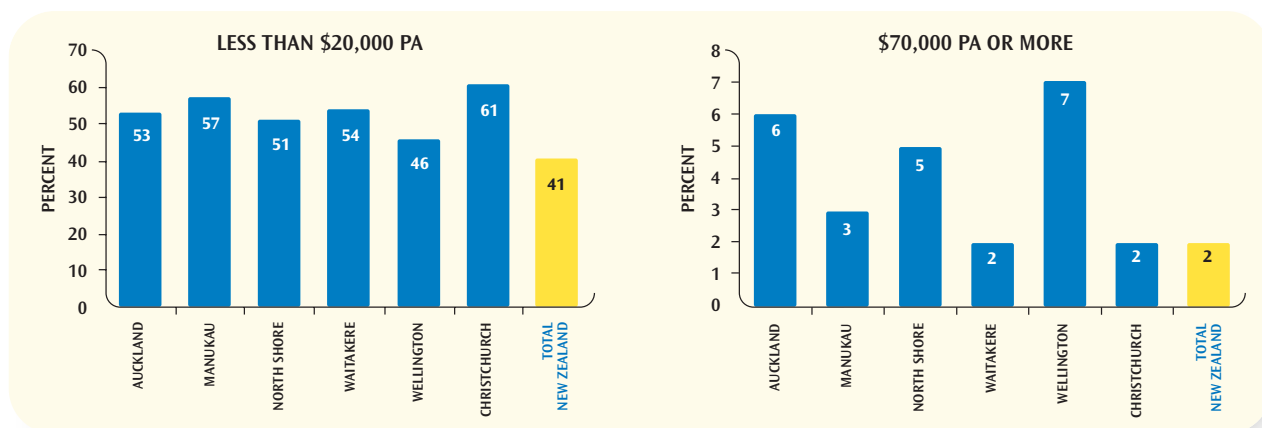
National income inequality increased substantially between 1986 and 1991, and continues to do so.¹⁴

The proportion of people at the lower end of the income scale outweighs the proportion at the upper end.¹⁵ The cities with a greater relative share of people in the upper income bracket generally also had a lower share of people in the lower income bracket.

Of the six largest cities, Wellington had the highest proportion of personal incomes greater than \$70,000 p.a. (7%). This is probably due to the high concentration of professionals living in the capital. It also appears there are more high income earners living in the six largest cities than within the general New Zealand population.

In 1996 the proportion of people aged 15-64 years earning less than \$20,000 p.a. in the six cities was higher than in the rest of New Zealand whereas the proportion earning less than \$10,000 p.a. was similar.

PROPORTION OF POPULATION AGED 15 YEARS AND OVER IN PERSONAL INCOME BRACKETS, BY CITY (1996)



Data Source: Statistics New Zealand

Analysis of income by ethnicity indicates that Maori, Pacific Islands and Asian populations are earning less than their European counterparts. However, this income data has not been age standardised and the younger nature of these populations will have an impact on their relative proportions in the various income groups. That is, populations with younger age structures tend to have lower incomes.

PERCENTAGE OF PEOPLE WITHIN EACH ETHNIC GROUP AGED 15 YEARS AND OVER (IN SIX LARGEST CITIES) WITHIN EACH INCOME BRACKET (1996)

	less than \$20,000 p.a. (%)	more than \$70,000 p.a. (%)
European	49	5
Maori	58	2
Pacific Islands	65	1
Asian	70	2

Data Source: Statistics New Zealand

The large proportion of the Asian population in the lowest income brackets may be due to the following factors:

- younger age structure of the Asian population (many young Asian people are studying full time)
- lower rate of overall labour force participation by the Asian community and difficulties in obtaining employment for many new Asian immigrants
- undeclared or overseas income
- a large number of refugees within the Asian ethnic group
- many Asian families can be seen to be 'asset rich' but cash poor, that is, not generating an income through regular employment.¹⁶

14 Statistics New Zealand. 1999. NZ Now – Incomes.

15 Figures at the upper and lower end of the income scale must be treated with some caution, as upper income earners are less likely to respond to income questions and very low income earners sometimes hide income as assets and under report their incomes.

16 It should be noted that there is significant variation in income groupings within the various Asian ethnic communities.

BENEFITS RECEIVED

Government benefit statistics for the six largest cities show how many working age people (those aged between 15 and 65 years) are receiving some sort of government assistance. This data includes all benefits (for example unemployment, student allowances, domestic purposes benefit) except superannuation payments. Across the six largest cities, the largest proportions of beneficiaries were in the 25 to 44 year age group.

TOTAL BENEFICIARIES, BY CITY (YEAR TO MAY 2000)

	Number of beneficiaries May 2000	% change from May 1999
Auckland	39,919	-2.4
North Shore	14,712	13.0
Manukau	38,470	2.6
Waitakere	20,527	-6.7
Wellington	13,913	-12.6
Christchurch	42,124	-2.9

Data Source: Work and Income New Zealand

Maori and Pacific Islands citizens are over-represented in government benefit recipient data for all six cities. However, the opposite is true for European and Asian populations, who are under-represented.

Of those people receiving benefits, just over one third have been receiving assistance for more than two years, and of those people, just under 10% are aged 19 to 24 years. Manukau and Waitakere Cities have slightly higher rates than the other cities in this younger age group - probably due to the younger age structure of these cities.

NUMBER AND PROPORTION OF BENEFICIARIES RECEIVING BENEFITS FOR TWO OR MORE YEARS, BY CITY (2000)

	Number of beneficiaries receiving benefits for more than 2 years	% of beneficiaries receiving benefits for more than 2 years
Auckland	14,415	36.1
Manukau	14,664	38.1
North Shore	4,714	32.0
Waitakere	7,086	34.5
Wellington	4,312	31.0
Christchurch	14,688	34.9

Data Source: Work and Income New Zealand