

Auckland Regional Household Labour Force Survey: Quarterly Overview – June 2020

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August 2020

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Auckland Council

This report

This report is prepared by the Research and Evaluation unit (RIMU) of Auckland Council. It provides an overview of aspects of labour force participation in Auckland, as indicated by results of the quarterly Household Labour Force Survey (HLFS) (administered by Statistics New Zealand). Particular focus is provided on trends across age and ethnic groups in the region, and the NEET rate.

Seasonality: Data in this report is not 'seasonally adjusted'. In order to ensure information is seasonally aligned, rolling annual averages are used throughout this report for reporting across time.

Definitions: A list of definitions is included at the back of this report.

Revisions: The survey and most back-data was re-based in September and December 2019 and March 2020 to match revised regional population estimates.

Also, the survey and all back-data since 2009 was revised in June 2016 when 'searching online ads only' was redefined from 'official unemployed' to 'looking at job ads only' (ie not actively seeking employment, therefore Not In Labour Force). This overview uses the revised data.

The Household Labour Force Survey (HLFS)

The HLFS is a national sample survey undertaken by Statistics New Zealand.

It is primarily designed for national estimates. The national sample contains about 16,000 private households and about 30,000 individuals each quarter. Households are sampled on a statistically representative basis from areas throughout New Zealand; information is obtained for each member of the household aged 15 or older. Each quarter, one-eighth of the households in the sample are rotated out and replaced by a new set of households.

Sampling errors: As the HLFS is a sample survey, all statistics are subject to survey sampling error. Statistics presented here at the sub-sample (e.g. local board) and sub-variable (e.g. NEET) levels are also subject to additional sampling errors and should be treated as indicative only.

Survey questionnaire changes: In June 2016, the HLFS questionnaire was changed to identify more self-employed people (who would previously have been Not In Labour Force and/or NEET), and to include members of the armed forces living in private dwellings (previously not part of 'Working Age Population'). Consequently, employment and unemployment rates and other affected data from June 2016 onwards are not fully compatible with earlier periods.

The information provided in this report supplements other freely available HLFS information and reporting:

National and some regional data released on Statistics NZ website: www.stats.govt.nz

Technical notes on the HLFS on Statistics NZ website:

<http://archive.stats.govt.nz/survey-participants/a-z-of-our-surveys/household-labour-force-survey.aspx>

June 2016 questionnaire changes: http://archive.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/improving-labour-market-statistics.aspx#gsc.tab=0

Covid-19 impacts: <https://www.stats.govt.nz/methods/covid-19-and-labour-market-statistics-in-the-june-2020-quarter>

Further labour market analysis is available from MBIE:

<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/>

[Click here to read the latest Auckland Economic Quarterly](#) - overview of key economic trends in Auckland.

Additional Auckland HLFS data is available on request from Auckland Council's Research and Evaluation Unit, RIMU; Contact: Ross Wilson – Analyst ✉ Ross.Wilson@aucklandcouncil.govt.nz ☎ 021 706 822

Disclaimer - The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

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1. Overview and highlights

Note 1: The March 2020 quarter included just over a week of Covid-19 lockdown (levels 3 and 4), so mostly reflected pre-lockdown conditions. The June 2020 quarter included all four levels of Covid-19 lockdown. See Note 2 below for further explanation, and Note 3.

For the quarter ended June 2020 compared to preceding quarter (not seasonally adjusted):

- Number employed fell by 9,600, and population (aged 15+) rose by 5,800.
- However, the overall unemployment rate was 4.0%, significantly lower¹ than the previous quarter (4.8%).
- Instead there was a significant decrease in labour force participation rate (71.0% to 69.3%), and corresponding increase in numbers “NILF” (not in the labour force).
- Available but not seeking work rose by 6,600, similar to the fall in unemployed.
- Also, weekly hours worked fell by 0.8% to 37.7 (average of full and part-timers).
- The NEET (not in employment, education or training) rate for youth aged 15-24 was 12.4%: below the preceding quarter (16.3%), and above a year earlier (8.7%).

Over the year ended June 2020:

- The unemployment rate overall averaged 4.3% in the year ended June 2020, similar to 4.1% in the year ended June 2019 and among the lowest annual rates since 2008.
- The unemployment rate among those aged 15 to 19 averaged 16.3%, slightly lower than 18.9% a year prior (and still well below the peak of 30.9% in 2011).
- The unemployment rate for females of all ages averaged 4.7%, similar to 4.4% a year prior, while the unemployment rate for males averaged 3.8%, similar to 3.9% a year prior. The gap between males and females (0.9%) has narrowed significantly compared to its peak in the year ended June 2015 (2.5%).
- Unemployment rates among Māori (7.7%) and Pacific people (7.6%) were both similar to a year prior (8.2% and 8.4% respectively), and remained higher than European (3.1%) and Asian (4.4 %) ethnic groups.
- The labour force participation rate overall averaged 70.3%, similar to 71.0% a year prior, which was the highest-equal ever (since at least 1986).
- The labour force participation rate for females averaged 65.5%, still well above the trough in 2003 (57.2 %), but below the rate for males (75.3%).
- The labour force participation rate for people aged 20-24 averaged 76.7%, still well above the trough in 2013 (67.2%), but still lower than the June 1998 peak (83.0%).

Table 1: Labour force status, comparison to preceding quarter and year

	Quarter end Mar 2020 (snapshot)	Quarter end June 2020 (snapshot)	Year end June 2019 (annual average)	Year end June 2020 (annual average)
Number employed	893.5	883.9	881.1	886.8
Number unemployed	45.2	36.6	38.1	39.5
Number not in the labour force	383.5	407.5	375.4	391.6
Number in the working age population	1322.2	1328.0	1294.5	1317.9
Labour force participation rate (%)	71.0	69.3	71.0	70.3
Unemployment rate (%)	4.8	4.0	4.1	4.3

Note: Numbers are '000s of people.

¹ Definition of similar or different is relative to survey sampling error margins produced by Statistics NZ; for further details see ‘Significant difference’ in Appendix 1.

Table 2: Quick overview of unemployment rates among age, gender and ethnic groups (%) (annual averages)

	Year end June 2019	Year end June 2020
Total	4.1	4.3
15-19 years	18.9	16.3
20-24 years	8.1	9.7
25-39 years	3.2	3.6
40-54 years	2.8	2.8
55 years +	2.2	2.1
Female	4.4	4.7
Male	3.9	3.8
European	3.1	3.1
Māori	8.2	7.7
Pacific	8.4	7.6
Asian	4.1	4.4

Table 3: Quick overview of labour force participation rates among age, gender and ethnic groups (%) (annual averages)

	Year end June 2019	Year end June 2020
Total	71.0	70.3
15-19 years	40.6	39.5
20-24 years	77.1	76.7
25-39 years	86.4	85.8
40-54 years	87.0	86.9
55 years +	50.1	49.8
Female	66.3	65.5
Male	76.0	75.3
European	72.9	71.9
Māori	67.5	66.6
Pacific	63.0	62.7
Asian	71.8	71.8

Note 2: During lockdown many people may not have met the criteria to have been actively seeking or available to start work, despite wanting a job. In these cases, the respondent will have been classified as not in the labour force rather than unemployed. Others remained employed due to government wage subsidies, with or without reductions in hours and pay. Also, there was a substantial reduction in survey response rates, which may introduce bias.

Note 3: Statistics NZ revised their 2013-2019 regional population estimates in October 2019; as a consequence, most HLFS back-data for 2013-2019 has been revised (in most cases the impact was minor). The December 2019 and March and June 2020 HLFS incorporated further revisions of population estimates.

2. Labour force status and unemployment rate by age

For the year ended June 2020, labour force status for the various age groups was as shown in Table 4. Unemployment rates since 1996 were as shown in Figure 1.

Table 4: Labour force status by age group, year ended June 2020 (annual averages)

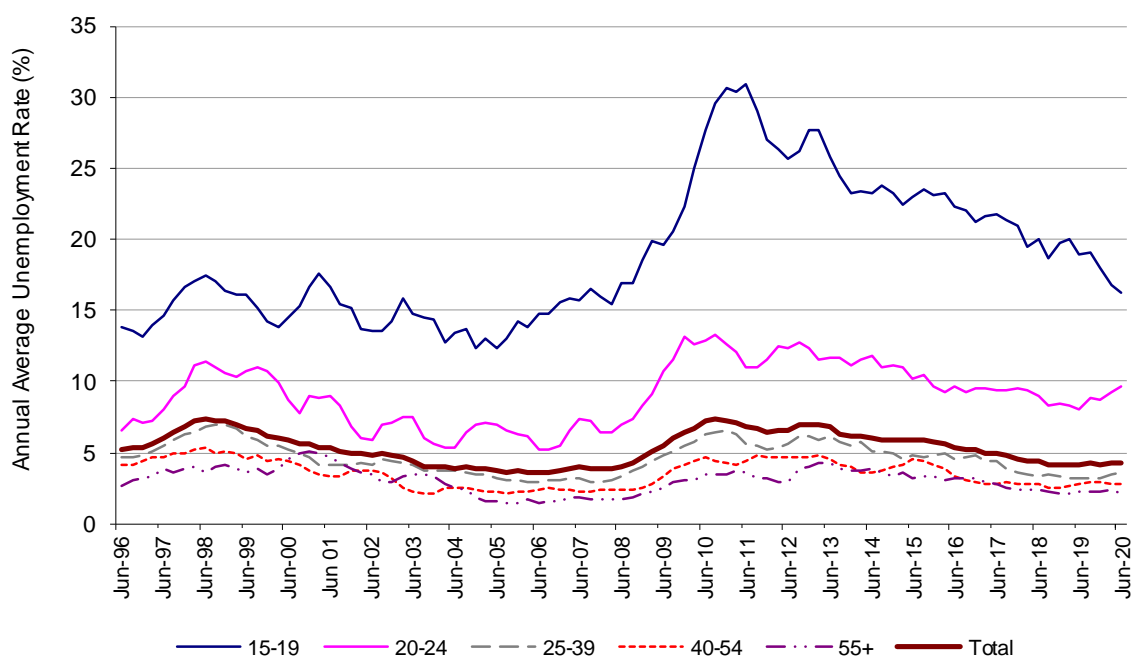
	Total	15 to 19 years	20 to 24 years	25 to 39 years	40 to 54 years	55 years and over
Number employed	896.3	38.2	84.1	299.5	277.0	197.7
Number unemployed	39.9	7.5	9.0	11.1	8.1	4.3
Number not in the labour force	396.3	70.0	28.4	51.4	42.9	203.7
Number in the working age popn	1332.5	115.7	121.4	361.9	327.9	405.6
Labour force participation rate (%)	70.3	39.5	76.7	85.8	86.9	49.8
Unemployment rate (%)	4.3	16.3	9.7	3.6	2.8	2.1

Note: Numbers are '000s; sums may differ from totals due to population revisions: totals are based on latest revised population estimates, age group numbers are based on unrevised population estimates.

The annual average unemployment rates for the year ended June 2020 for ages 15-19 (16.3%) was the lowest since 2008; all other age groups were similar or worse than the last year or so, The unemployment rate continued to vary substantially by age: lowest for ages 55 years and over (2.1%), and highest for 15- to 19-year olds (16.3%).

Labour force participation rates vary from ages 15-19 (39.5%), to ages 40-54 (86.9%); however, for ages 55+ (49.8%), they have near-doubled since the year ended September 1995 (26.8%), whereas ages 15-19 are a third lower than their March 1998 peak (57.4%).

Figure 1: Unemployment rate by age group (rolling annual average), 1996-2020



3. Labour force status and unemployment rate by gender

For the year ended June 2020, labour force status for males and females was as shown in Table 5. Unemployment rates since 1996 were as shown in Figure 2.

Table 5: Labour force status by gender, year ended June 2020 (annual averages)

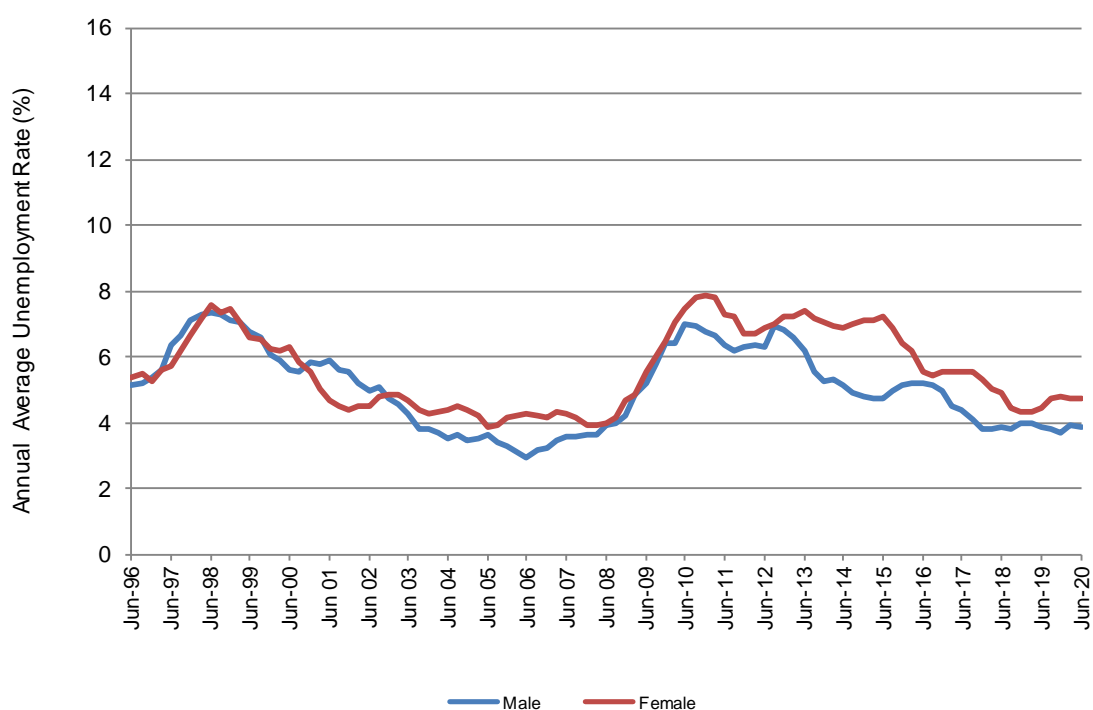
	Total	Male	Female
Number employed	886.8	463.4	423.4
Number unemployed	39.5	18.5	21.0
Number not in the labour force	391.6	158.0	233.5
Number in the working age popn	1317.9	639.9	677.9
Labour force participation rate (%)	70.3	75.3	65.5
Unemployment rate (%)	4.3	3.8	4.7

Note: Numbers are '000s; numbers and rates are based on latest re-revised population estimates.

The annual average unemployment rate for the year ended June 2020 remained slightly higher for females (4.7%) than males (3.9%); the gap (0.9%) is currently significant, but often causes less impact than variations over time of the respective unemployment rates. Unemployment rates were largely flat since December 2017 for males and June 2018 for females, and for both were still much lower than the 2010 peaks (7.9% and 7.0%) and 1998 (7.6% and 7.3%), but slightly above 2004-2008.

In addition, the labour force participation rate (LFPR) for females (65.5%) was among the highest on record (since at least 1995), but remained significantly lower than for males (75.3%); however, the LFPR gender gap (9.8%) has fallen by half since 1995 (19.0%), due to the male LFPR remaining largely unchanged over that period while the female LFPR rose..

Figure 2 Unemployment rate by gender (rolling annual average), 1996-2020



4. Labour force status and unemployment rate by ethnic group

For the year ended June 2020, labour force status for the four main ethnic groups was as shown in Table 6. Unemployment rates since 1996 were as shown in Figure 3.

Table 6: Labour force status by ethnic group, year ended June 2020 (annual average)

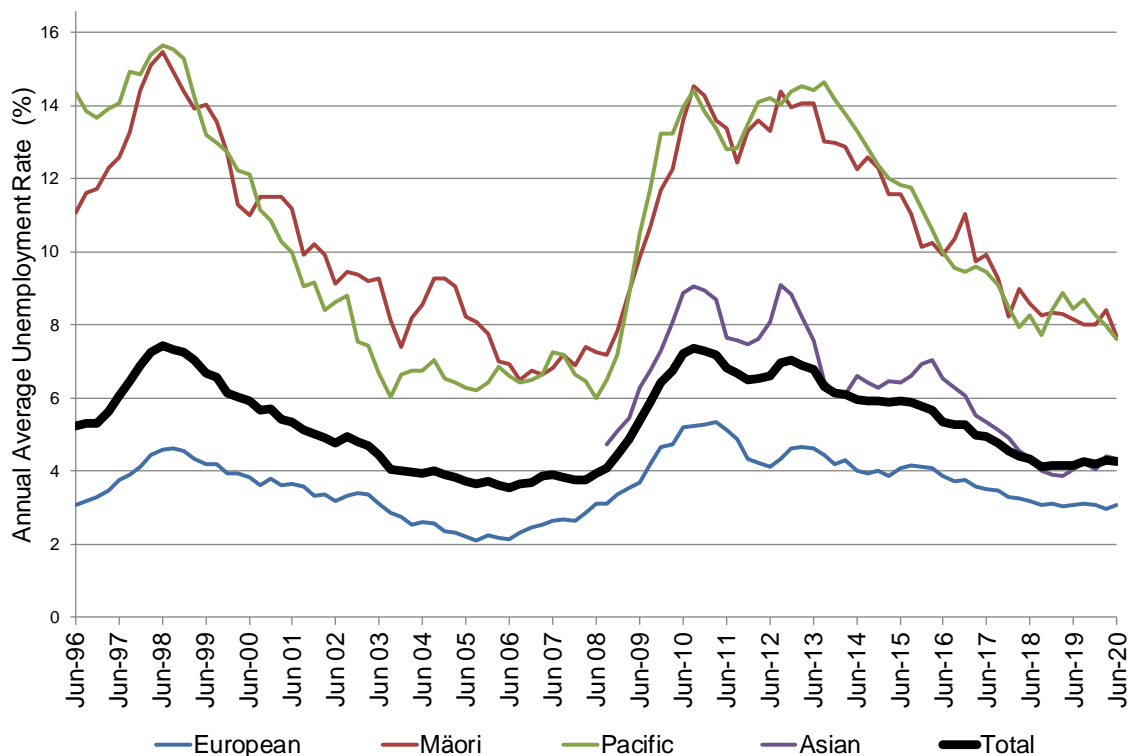
	Total	European	Māori	Pacific	Asian
Number employed	885.6	502.4	70.3	105.9	247.1
Number unemployed	39.4	15.9	5.9	8.7	11.3
Number not in the labour force	391.2	202.2	38.2	68.2	101.2
Number in the working age popn	1,316.2	721.0	114.2	182.9	359.6
Labour force participation rate (%)	70.3	71.9	66.6	62.7	71.8
Unemployment rate (%)	4.3	3.1	7.7	7.6	4.4

Notes: Numbers are '000s; sums may exceed totals due to respondents selecting multiple ethnic groups. "Other ethnicities" not shown. These numbers are indicative only as sub-sample sizes are small. Data is based on latest re-revised population estimates.

The annual average unemployment rates for the year ended June 2020 were broadly similar to the last two years for every ethnic group - but all groups were much lower (better) than the peak in 2010. The unemployment rate continued to vary substantially between ethnic groups: lowest for Europeans (3.1%), and Asians (4.4%), and highest for Māori (7.7%) and Pacific peoples (7.6%).

Labour force participation rates (70.3%, flat since 2017) also varied by ethnicity, but to a lesser extent, from Pacific (62.7%) and Māori (66.6%) to Asian (71.8% - up from 65.1% in 2013) and European (71.9%).

Figure 3 Unemployment rate by ethnic group (rolling annual average), 1996-2020



Note: Asian Ethnic Group was included in Other (not shown) until December Quarter 2007

5. Employment by occupation

Note: Occupation numbers for March 2020 are based on partially revised regional population estimates, while data for June 2020 incorporates further downward revisions, so changes in absolute numbers between revisions are indicative only.

In the June 2020 quarter, Auckland's largest occupational categories were Professionals (26.8% of Auckland's total employment), and Managers (22.8%), followed by Clerical and Administrative Workers (11.4%) and Technicians and Trades Workers (9.7%).

Between the March 2020 and June 2020 quarters, there were significant increases in the numbers employed in the following occupations:

- Managers (+11,500, yielding a 1.4 percentage point increase in their share)

In contrast, between the March 2020 and June 2020 quarters, there were significant decreases in the numbers employed as:

- Labourers (-6,900, for a 0.8 percentage point fall in share)
- Clerical and Administrative Workers (-6,700, a 0.7 percentage point fall in share)

Table 7: Employment by occupation – comparison to preceding quarter (quarterly data)

Occupation (ANZSCO 1-digit)	March 2020 quarter	June 2020 quarter	March 2020 quarter	June 2020 quarter
	Number		Share (%)	
Managers	189.8	201.3	21.4	22.8
Professionals	232.8	237.3	26.2	26.8
Technicians and Trades Workers	89.2	85.7	10.0	9.7
Community and Personal Service Workers	68.1	67.1	7.7	7.6
Clerical and Administrative Workers	107.2	100.5	12.1	11.4
Sales Workers	80.5	75.8	9.1	8.6
Machinery Operators and Drivers	47.9	47.9	5.4	5.4
Labourers	62.0	55.1	7.0	6.2
Total	888.8	883.9	100.0	100.0

Notes: Numbers are '000s. Total includes not elsewhere included.

Note: March 2020 numbers (including total) based on partially revised population estimates, so not totally consistent with subsequent periods (June 2020 onwards) that incorporate re-revisions.

6. Employment by industry

Note: In June 2020, Statistics NZ revised HLFS industry data and backdata to match population revisions; also, from December 2019 onwards some industry sector bundlings were re-aligned (including backdata) eg Utilities, Retail, Business Services (as in Table 8).

In the June 2020 quarter, the largest sectors in terms of employment were Retail and Accommodation and Food Services (131,300 people; 14.9% of total employment) and Professional, Scientific, Technical, Administrative and Support Services (130,800 people; 14.8% of total employment).

Between the March 2020 and June 2020 quarters, there were significant increases in the number of people employed in:

- Wholesale Trade (+6400 – but reversing previous falls)
- Education and Training (+4800 – but reversing previous falls).

Between the March 2020 and June 2020 quarters, there were significant decreases in the number of people employed in:

- Transport, Postal and Warehousing (-4800, but this industry is often volatile)
- Professional, Scientific, Technical, Administrative and Support Services (-7900, taking its share to its lowest since 2016).

Table 8: Employment by industry – comparison to preceding quarter (quarterly data)

Industry (ANZSIC06)	March 2020 quarter	June 2020 quarter	March 2020 quarter	June 2020 quarter
	Number		Share (%)	
Agriculture and Mining	7.4	8.7	0.8	1.0
Manufacturing and Utilities	88.5	84.4	9.9	9.5
Construction	88.3	87.7	9.9	9.9
Wholesale Trade	39.3	45.7	4.4	5.2
Retail and Accommodation and Food Services	136.9	131.3	15.3	14.9
Transport, Postal and Warehousing	49.6	44.8	5.6	5.1
Information Media and Telecommunications	19.8	20.0	2.2	2.3
Financial and Insurance Services	41.1	42.6	4.6	4.8
Rental, Hiring and Real Estate Services	21.4	21.8	2.4	2.5
Professional, Scientific, Technical, Administrative and Support Services	138.7	130.8	15.5	14.8
Public Administration and Safety	35.9	35.5	4.0	4.0
Education and Training	67.5	72.3	7.6	8.2
Health Care and Social Assistance	91.3	92.3	10.2	10.4
Arts, Recreation and Other Services	54.2	51.4	6.1	5.8
Total (including not specified)	893.5	883.9	100.0	100.0

Notes: Numbers are '000s, rounded to nearest hundred. Both quarters based on latest population estimates.

7. Youth not in employment, education or training (NEET)

For the quarter ended June 2020, the overall percentage of young people (aged 15-24) who were not in employment, education or training (NEET) in Auckland (12.4%) was similar to the New Zealand average (11.6%) over the same period. Note that quarterly NEET rates are typically subject to substantial seasonal effects. For the year ended June 2020, the annual average NEET rate for Auckland (12.2%) was the same as the New Zealand average (12.2%) over the same period. (But see Notes below Table 9.)

Indicative NEET rates for the various local board areas for the latest quarter and year are shown in Table 9. Due to small sub-sample sizes, this information is not always available for some local board areas ('..S'), and is never available for Great Barrier (not listed). The other local board NEET levels and rates have varying error margins (18% to 56%; e.g. at 56% error margin, '10% NEET rate' could actually be anywhere between 4.4% and 15.6%).

Table 9: NEET rates by local board area – quarter and year ended June 2020

Local board area	Population Age 15-24(000)	Quarterly NEET (000)	Quarterly NEET rate (%)	Annual average NEET Rate (%)
Rodney	6.2	..S	..S	17.0
Hibiscus and Bays	16.1	1.1	7.0	7.0
Upper Harbour	6.7	..S	..S	21.4
Kaipatiki	9.3	1.4	15.0	13.4
Devonport-Takapuna	12	..S	..S	14.7
Henderson-Massey[W]	12.2	1.8	14.6	15.2
Waitākere Ranges [W]	10.3	1.2	11.3	16.0
Waiheke	..S	..S	..S	..S
Waitematā	14.3	1.2	8.4	10.7
Whau [W]	9.7	1.6	16.1	16.4
Albert-Eden	19.2	1.1	5.6	6.5
Puketāpapa	8.5	1.2	13.6	12.7
Ōrākei	13.5	..S	..S	..S
Maungakiekie-Tāmaki	7.5	1.1	14.1	15.1
Howick	22	4.0	18.3	13.0
Māngere-Ōtāhuhu [*]	15.1	2.4	16.0	15.9
Ōtara-Papatoetoe [*]	11.2	2.5	22.3	18.7
Manurewa [*]	18.3	3.5	19.4	20.6
Papakura [*]	6.9	1.6	22.9	22.7
Franklin	12.8	1.3	10.0	13.4
Southern Initiative [*]	51.6	10.1	19.5	18.9
Rest of Auckland [*]	175.7	18.7	10.4	10.0
Western Initiative [W]	32.3	3.4	14.0	15.8
Auckland total	232.3	28.8	12.4	12.2
Rest of New Zealand	421.0	46.8	11.1	12.2
Total New Zealand	653.3	75.6	11.6	12.2

Notes: Auckland and New Zealand totals based on latest re-revised population estimates; local board areas not yet revised. Any finer geography than Auckland total is below the design level of the survey; local board area estimates should be treated as indicative only and used with caution...S = data suppressed due to base numbers being too small (eg NEET below 1000 for the quarter (quarterly) or for all of the four quarters (annual average)). [*] The Southern Initiative is made up of the Māngere-Ōtāhuhu, Ōtara-Papatoetoe, Manurewa and Papakura Local Boards. [W] = Western Initiative area.

Appendix 1: Definitions used in the HLFS

Employed: Those HLFS respondents who during their survey reference week had either:

- worked for one hour or more for pay or profit, as employee/employer/self employed
- worked without pay for one hour or more for a relative's farm or business
- had a job but were temporarily not at work.

Labour force: Members of the working-age population who during their survey reference week were classified as 'employed' or 'unemployed'.

Labour force participation rate: The total labour force expressed as a percentage of the working-age population.

NEET rate: Calculated as the total number of youth (aged 15–24 years) who are not in employment, education or training (NEET), as a proportion of the total youth working-age population (aged 15-24 years).

Not in the labour force: Any person who is neither employed nor unemployed. This category includes, for example:

- retired persons
- persons with personal or family responsibilities such as child care, unpaid house work
- persons attending educational institutions
- persons permanently unable to work due to physical or mental handicaps
- persons who were not actively seeking work (see note below regarding unemployed).

Significant difference: The HLFS is a sample survey, so all statistics are subject to survey sampling error – the random variation between the sample and the total population. For a difference to be statistically significant, it must exceed this margin of error (see also note on sampling errors).

Unemployed: Unemployed persons are those in the working-age population who were without a paid job, available for work and had either actively sought work in the past four weeks ending with the reference week, or had a new job to start within the next four weeks. (Note: 'Actively sought work' does not include people whose only job search method was to look at job advertisements in newspapers or online.)

Unemployment rate (UER): The number of unemployed expressed as a percentage of the labour force.

Working age population (WAP): total population (ie of all labour force statuses) aged 15 or over (including over 65); sometimes restricted to a particular specified sub-group such as by gender or ethnicity – and sometimes also for a sub-group defined by age e.g. youth (aged 15-24).