

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

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1. Introduction

This report provides an overview of aspects of labour force participation in Auckland, as indicated by results of the quarterly Household Labour Force Survey (HLFS).

Particular focus is provided on trends across age and ethnic groups in Auckland, and the rate of youth who are not in employment, education or training (NEET).

The HLFS is a national sample survey undertaken by Stats NZ. It is primarily designed for national estimates. The national sample contains about 15,000 private households and about 30,000 individuals each quarter. The sub-sample size for Auckland is approximately 4500 households and 9000 individuals.

In order to ensure information is seasonally aligned, rolling annual averages are used throughout this report for reporting across time. 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. More information on the survey, and caveats to the use of the data are provided in technical notes at the end of the report.

It is useful to note that 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 and September 2020 quarters included longer lockdowns.

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

- **National and some regional data** released on Stats NZ website: www.stats.govt.nz
- **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/>
- **Additional Auckland HLFS data** is available on request from the author: Ross.Wilson@aucklandcouncil.govt.nz
- **Auckland Economic Update (monthly)** - an overview of key economic trends in Auckland, prepared by the author, is available on the Knowledge Auckland website. <https://knowledgeauckland.org.nz/publications/auckland-economic-update-november-2020/>
- **Auckland Economic Quarterly** - an update on Auckland's economic challenges and opportunities including unemployment, housing, migration and more, prepared by the Chief Economist Unit, is available on the Knowledge Auckland website and also at: https://mcusercontent.com/b43f285355c582c3f958c1c0c/files/b5861fd2-e6b7-47c8-bb8d-1a669c547cf0/August_2020_AEQ.pdf

2. Overview and highlights

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

- The number employed in Auckland fell by 18,000, and population (aged 15+) rose by 1700.
- The overall unemployment rate was 5.6%, significantly higher¹ than the previous quarter (4.0%).
- However, there was no significant change in labour force participation rate (69.3% from 69.5%), and minimal rise in numbers “NILF” (not in the labour force).
- Available but not “actively” seeking work fell slightly to 25,700.
- Also, weekly hours worked remained at 37.8 (average of full and part-timers).
- The NEET (not in employment, education or training) rate for youth aged 15-24 was 13.1%: similar to the preceding quarter (12.5%), but above a year earlier (9.3%).

Over the year ended September 2020:

- The unemployment rate overall averaged 4.6% in the year ended September 2020, slightly above 4.3% in the year ended September 2019 and still low as an annual rate compared to around 2008.
- The unemployment rate among those aged 15 to 19 averaged 16.4%, slightly lower than 19.1% a year prior (and still well below the peak of 30.9% in 2011).
- The unemployment rate for females of all ages averaged 5.0%, similar to 4.8% a year prior, while the unemployment rate for males averaged 4.3%, higher than 3.8% a year prior. The gap between males and females (0.7%) has narrowed significantly compared to its peak in the year ended June 2015 (2.5%).
- Unemployment rates among Māori (8.1%) and Pacific people (7.6%) were similar to a year prior (7.9% and 8.6% respectively), and remained higher than European (3.5%) and Asian (4.8 %) ethnic groups.
- The labour force participation rate overall averaged 70.2%, similar to 71.0% a year prior, which among the highest ever (since at least 1986).
- The labour force participation rate for females averaged 64.9%, still well above the trough in 2003 (57.2 %), but below the rate for males (75.6%).
- The labour force participation rate for people aged 20-24 averaged 76.2%, 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 June 2020 (snapshot)	Quarter end Sept 2020 (snapshot)	Year end Sept 2019 (annual average)	Year end Sept 2020 (annual average)
Number employed	911.2	893.2	907.1	909.9
Number unemployed	37.6	53.4	40.5	44.2
Number not in the labour force	416.3	420.1	387.7	405.9
Number in the working age population	1365.0	1366.7	1335.3	1359.9
Labour force participation rate (%)	69.5	69.3	71.0	70.2
Unemployment rate (%)	4.0	5.6	4.3	4.6

Note: Numbers are '000s of people.

¹ The definition of similar or different is relative to survey sampling error margins produced by Stats 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 Sept 2019	Year end Sept 2020
Total	4.3	4.6
15-19 years	19.1	16.4
20-24 years	8.9	9.9
25-39 years	3.2	4.2
40-54 years	2.9	3.2
55 years +	2.3	2.5
Female	4.8	5.0
Male	3.8	4.3
European	3.1	3.5
Māori	7.9	8.1
Pacific	8.6	7.6
Asian	4.2	4.8

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

	Year end Sept 2019	Year end Sept 2020
Total	71.0	70.2
15-19 years	40.7	38.9
20-24 years	77.4	76.2
25-39 years	86.0	85.4
40-54 years	87.0	86.9
55 years +	50.1	49.4
Female	66.4	64.9
Male	75.8	75.6
European	72.9	71.6
Māori	67.4	65.8
Pacific	63.2	62.8
Asian	72.0	72.3

Note: During the lockdowns of 2020 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.

3. Labour force status and unemployment rate by age

For the year ended September 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 September 2020 (annual averages)

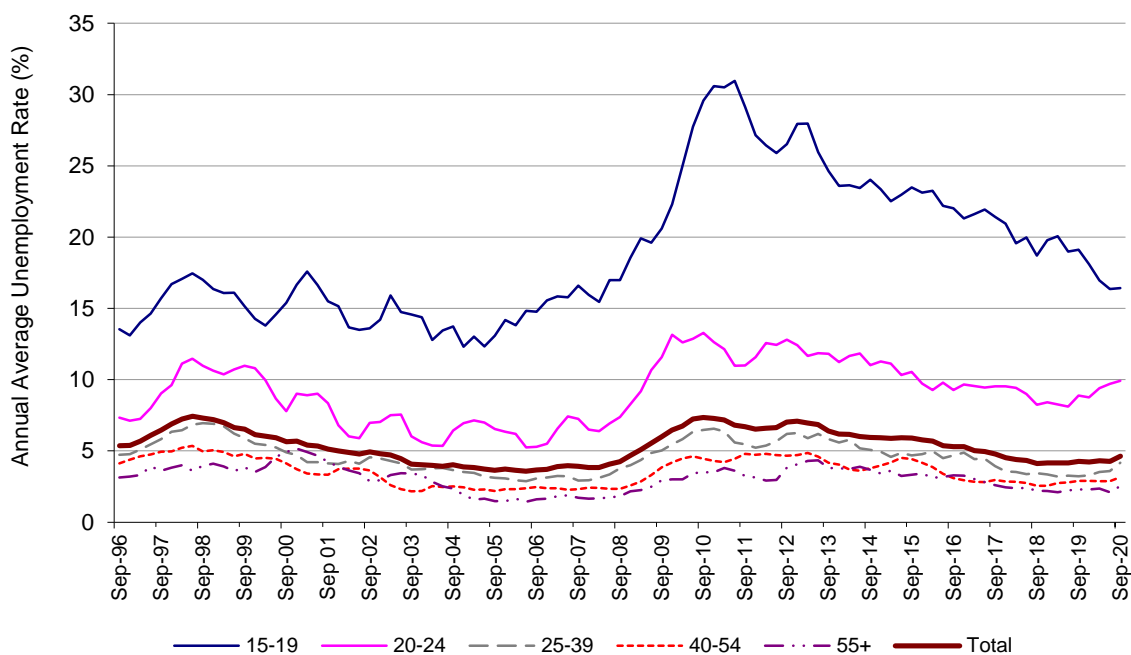
	Total	15 to 19 years	20 to 24 years	25 to 39 years	40 to 54 years	55 years and over
Number employed	909.9	37.3	82.4	308.1	283.9	198.3
Number unemployed	44.2	7.3	9.1	13.4	9.3	5.2
Number not in the labour force	405.9	70.0	28.5	54.7	44.4	208.4
Number in the working age popn	1359.9	114.6	119.9	376.2	337.5	411.8
Labour force participation rate (%)	70.2	38.9	76.2	85.4	86.9	49.4
Unemployment rate (%)	4.6	16.4	9.9	4.2	3.2	2.5

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

The annual average unemployment rates for the year ended September 2020 for ages 15-19 (16.4%) was the lowest-equal 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 (2.5%), and highest for 15- to 19-year olds (16.4%).

Labour force participation rates vary from ages 15-19 (38.9%), to ages 40-54 (86.9%); they have recently fallen for ages 15-19 and (non-significantly) ages 20-24 and 25-39; longer term, for ages 55+ (49.4%), 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



4. Labour force status and unemployment rate by gender

For the year ended September 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 September 2020 (annual averages)

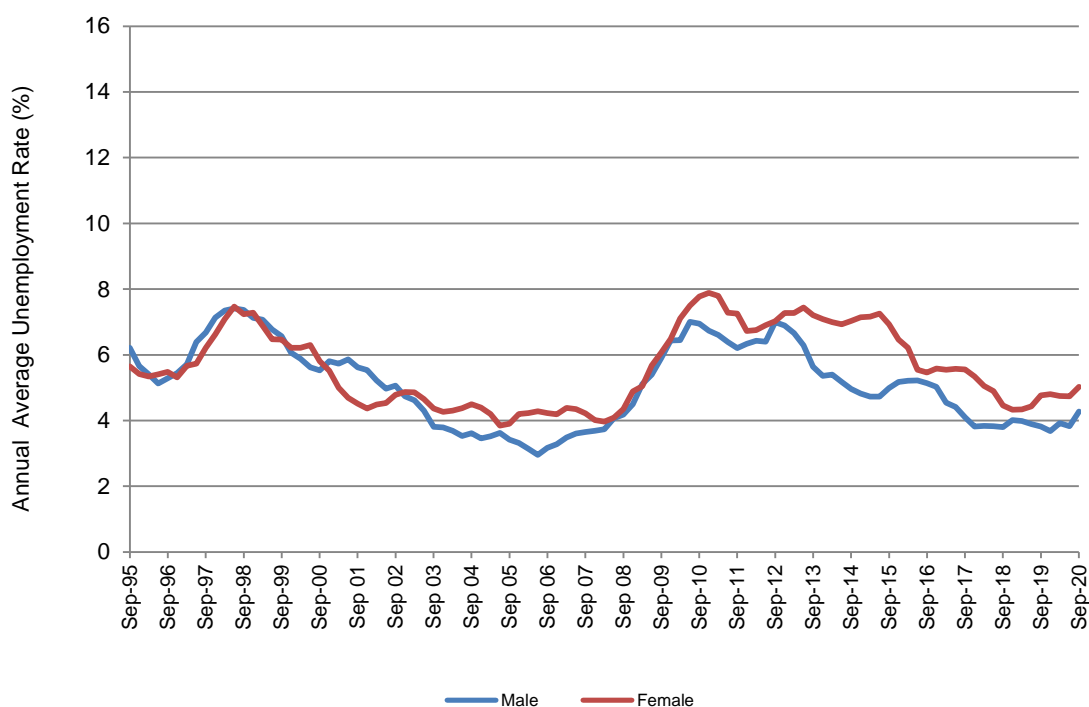
	Total	Male	Female
Number employed	909.9	481.9	428.0
Number unemployed	44.2	21.5	22.7
Number not in the labour force	405.9	162.5	243.5
Number in the working age popn	1359.9	665.9	694.0
Labour force participation rate (%)	70.2	75.6	64.9
Unemployment rate (%)	4.6	4.3	5.0

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

The annual average unemployment rate for the year ended September 2020 remained slightly higher for females (5.0%) than males (4.3%); the gap (0.7%) is currently significant, but often causes less impact than variations over time of the respective unemployment rates. Unemployment rates rose recently but still 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 (64.9%) fell slightly from recent record highs, and remained significantly lower than for males (unchanged at 75.6%); longer term, the LFPR gender gap (10.7%) has nearly halved 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), 1995-2020



5. Labour force status and unemployment rate by ethnic group

For the year ended September 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 September 2020 (annual average)

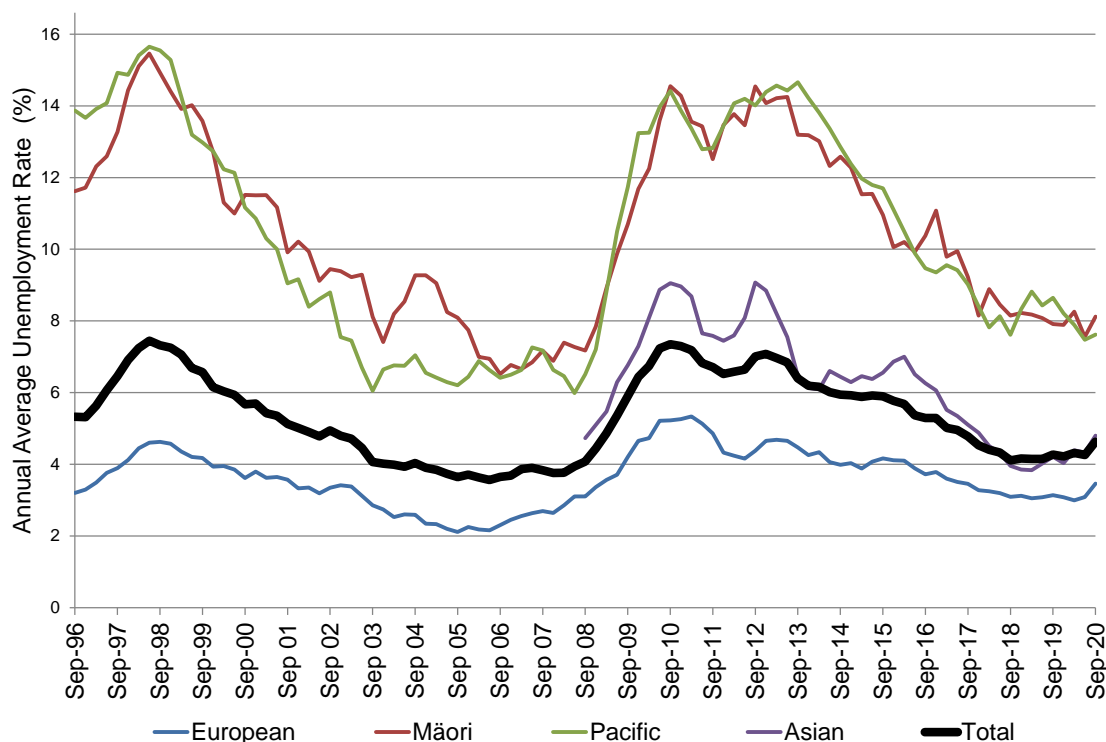
	Total	European	Māori	Pacific	Asian
Number employed	909.9	510.8	78.1	108.2	256.8
Number unemployed	44.2	18.3	6.9	8.9	13.0
Number not in the labour force	405.9	209.5	44.1	69.4	103.5
Number in the working age popn	1,359.9	738.6	129.2	186.6	373.3
Labour force participation rate (%)	70.2	71.6	65.8	62.8	72.3
Unemployment rate (%)	4.6	3.5	8.1	7.6	4.8

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 September 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 (3.5%), and Asians (4.8%), and highest for Māori (8.1%) and Pacific peoples (7.6%).

Labour force participation rates (70.2%, broadly flat since 2017) also varied by ethnicity, but to a lesser extent than unemployment rates, from Pacific (62.8%) and Māori (65.8%) to Asian (72.3% - up from 65.1% in 2013) and European (71.6%).

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.

6. Employment by occupation

In the September 2020 quarter, Auckland's largest occupational categories were Professionals (26.4% of Auckland's total employment), and Managers (22.9%), followed by Clerical and Administrative Workers (11.6%) and Technicians and Trades Workers (11.0%).

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

- Technicians and Trades Workers (+7,700, a rise of 8.7% yielding a 1.1 percentage point increase in their share)

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

- Professionals (-13,600, down 5.5% for a 0.9 percentage point fall in share)
- Sales Workers (-7,400, down 9.5% for a 0.6 percentage point fall in share)

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

Occupation (ANZSCO 1-digit)	June 2020 quarter	September 2020 quarter	June 2020 quarter	September 2020 quarter
	Number		Share (%)	
Managers	207.6	200.9	23.1	22.9
Professionals	244.6	231.2	27.3	26.4
Technicians and Trades Workers	88.8	96.5	9.9	11.0
Community and Personal Service Workers	68.7	70.7	7.7	8.1
Clerical and Administrative Workers	103.5	101.7	11.5	11.6
Sales Workers	77.5	70.1	8.6	8.0
Machinery Operators and Drivers	50.2	48.8	5.6	5.6
Labourers	56.6	57.0	6.3	6.5
Total	897.5	876.8	100.0	100.0

Notes: Numbers are '000s. Total excludes not elsewhere included. Data is based on re-revised population estimates.

7. Employment by industry

In the September 2020 quarter, the largest sectors in terms of employment were Other Business Services (including real estate, professional/scientific/technical and administrative services such as recruiters and travel agents) (146,800 people; 16.8% of total employment), Wholesale and Retail (125,300 people; 14.3% of total employment) and Utilities and Construction (102,400 people; 11.7% of total employment).

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

- Other Services (such as recreation, public administration, and personal services) (+8000, a rise of 8.9%).

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

- Other Business Services (-10,600, down 6.7% - see description above).
- Wholesale and Retail (-7400, down 5.6%)
- Accommodation and Food Services (-4400, down 9.0%)
- Information Media and Telecommunications (-3200, down 15.4% but often volatile)
- Agriculture and Mining (-2000, a 22.5% fall but offsetting a previous rise)

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

Industry (ANZSIC06)	June 2020 quarter	September 2020 quarter	June 2020 quarter	September 2020 quarter
	Number		Share (%)	
A B Agriculture and Mining	8.9	6.9	1.0	0.8
C Manufacturing	79.8	80.3	8.9	9.2
D E Utilities and Construction	98.7	102.4	11.0	11.7
F G Wholesale and Retail	132.7	125.3	14.8	14.3
H Accommodation and Food Services	48.8	44.4	5.4	5.1
I Transport Postal and Warehousing	46.6	46.6	5.2	5.3
J Information Media and Telecommunications	20.8	17.6	2.3	2.0
K Financial and Insurance Services	43.8	40.4	4.9	4.6
L M N Other Business Services	157.4	146.8	17.6	16.8
P Education and Training	74.4	76	8.3	8.7
Q Health Care and Social Assistance	94.6	92	10.6	10.5
O R S Other Services	89.8	97.8	10.0	11.2
Total (including not specified)	896.2	876.4	100.0	100.0

Notes: Numbers are '000s, rounded to nearest hundred. Data is based on re-revised population estimates. Also, from December 2019 onwards some industry sector groupings were re-aligned (including back-data) e.g. Utilities, Retail, Business Services. This report uses the previous groupings (as in Table 8).

8. Youth not in employment, education or training

For the quarter ended September 2020, the overall percentage of young people (aged 15-24) who were not in employment, education or training (NEET) in Auckland (13.1%) was slightly above the New Zealand average (11.8%) over the same period. Note that quarterly NEET rates are typically subject to substantial seasonal effects. For the year ended September 2020, the annual average NEET rate for Auckland (13.3%) was similar to the New Zealand average (12.8%) 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 be anywhere between 4.4% and 15.6%).

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

Local board area	Population Age 15-24(000)	Quarterly NEET (000)	Quarterly NEET rate (%)	Annual average NEET Rate (%)
Rodney	5.8	..S	..S	4.6
Hibiscus and Bays	12.4	1.1	9.3	3.8
Upper Harbour	7.5	..S	..S	5.5
Kaipatiki	9.2	1.6	17.4	15.0
Devonport-Takapuna	10.6	..S	..S	7.4
Henderson-Massey[W]	14.2	2.1	14.5	15.3
Waitākere Ranges [W]	9.4	1.0	10.8	10.9
Waiheke	0	..S	..S	#DIV/0!
Waitematā	9.6	1.0	10.6	5.3
Whau [W]	9.7	1.3	13.4	13.5
Albert-Eden	20	1.6	8.3	5.1
Puketāpapa	9.4	..S	..S	11.6
Ōrākei	13.7	1.1	8.3	2.1
Maungakiekie-Tāmaki	9.4	1.5	16.4	15.4
Howick	18.4	1.9	10.6	13.1
Māngere-Ōtāhuhu [*]	15.3	2.5	16.0	15.8
Ōtara-Papatoetoe [*]	15.2	3.5	22.9	21.5
Manurewa [*]	20.7	4.8	23.0	22.2
Papakura [*]	7.5	1.8	23.9	23.2
Franklin	10.5	..S	..S	9.8
Southern Initiative [*]	58.7	12.5	21.3	20.3
Rest of Auckland [*]	170.1	17.6	10.3	11.0
Western Initiative [W]	33.3	4.4	13.1	14.9
Auckland total	228.8	30.1	13.1	13.3
Rest of New Zealand	425	47.3	11.1	12.5
Total New Zealand	653.8	77.3	11.8	12.8

Notes: Data is based on latest re-revised population estimates. 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 (e.g. 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: Definitions and technical notes

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 (i.e. of all labour force statuses) aged 15 or over (including over 65), who have or propose to live in New Zealand for at least 12 months, but excluding institutionalised people (in prison, or long-term residents of homes for older people, hospitals, and psychiatric institutions) ; 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).

See also:

Technical notes

HLFS survey sampling: Households are sampled on a statistically representative basis from areas throughout New Zealand, and 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.

Seasonality and annual averages: Data in this report is not 'seasonally adjusted' (unlike some of the HLFS headline numbers at the national level published by Stats NZ). Instead, in order to ensure information is seasonally aligned, rolling annual averages are used throughout most of this report for reporting across time.

Revisions: The survey and most back-data was re-revised by Stats NZ in October 2020 to match re-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' (i.e. not actively seeking employment, therefore Not In Labour Force). This overview uses the revised data, but note that back-data for before 2009 still uses the old definition.

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.

For further information

Technical notes on the HLFS on Stats NZ website:

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

[HLFS sources and methods: 2016](#)

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

2020 Covid-19 impacts:

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

Find out more: phone 09 301 0101, email rimu@aucklandcouncil.govt.nz or visit aucklandcouncil.govt.nz and knowledgeauckland.org.nz