



**MINISTRY OF SOCIAL  
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TE MANATŪ WHAKAHIATO ORA

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COVID-19**

## **Topic Brief**

# **The composition of Jobseeker Support Work-Ready grants during lockdown in NZ to end April 2020**

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## **Authors**

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## Introduction

The COVID-19 pandemic has brought about profound changes to all aspects of life and has put increased pressure on government services and the welfare state. Understanding who is being affected by these changes as they unfold is important for tailoring service and policy responses and maximising the effectiveness of available resources.

This report provides a snapshot of the composition of Jobseeker Support Work-Ready grants since the start of New Zealand's lockdown, compared to those of the same period a year ago. This helps to ensure an "apples-to-apples" comparison that avoids the impact of seasonality and other external factors.

This report will be updated periodically to capture new trends.

## Key points

- Total benefit grants have increased significantly since the start of the Covid-19 level 4 lockdown, driven mostly by a rise in Jobseeker Support Work-Ready (JS-WR) grants.
- While all regions experienced a rise in JS-WR grants, some regions had larger increases than others; with Nelson, Southern, and Auckland Metro seeing the highest proportional increases.
- There has been a relative increase in JS-WR grants to people who are younger, New Zealand European, have little or no recent benefit history, and have higher amounts of lost weekly income.
- While returning to New Zealand has increased significantly as a reason for taking up JS-WR, job loss continues to be the most common reason recorded.

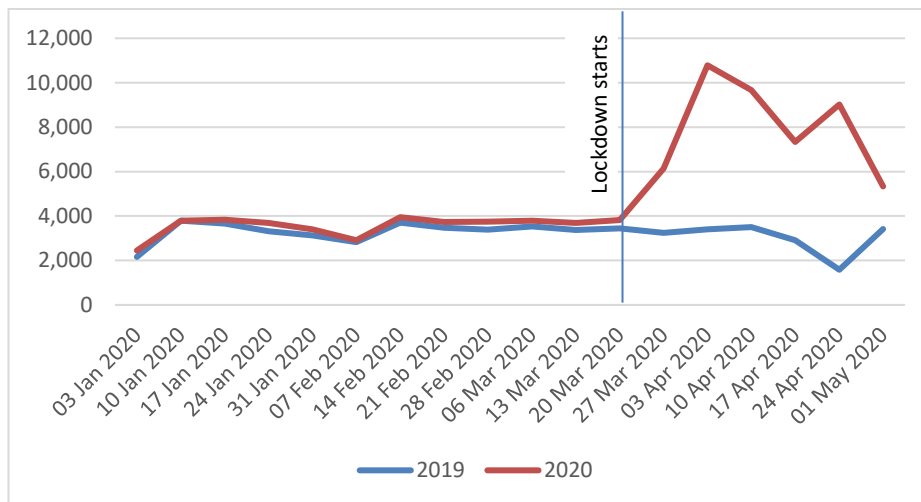
## Total benefit grants have increased significantly over the lockdown period

In the first two weeks of the lockdown, weekly main benefit grants more than doubled, rising from 3,817 the week before lockdown began (the week ending 20 March) to 10,785 in the first week of April.

From this peak, new grants then declined somewhat in the second and third weeks of April to 9,673 and 7,339 new grants respectively. This is still more than double the weekly rate compared with the same weeks in 2019, which had just 3,496 and 2,914 each (see Figure 1).

At 1 May, there had been over 48,000 new grants for main benefits during the lockdown period. This is an 168% increase compared with the same period a year ago, which had just 18,042 new grants.

Figure 1: Total weekly benefit grants over the past 18 weeks, 2019 and 2020 compared



*Note:* Horizontal axis shows weekly end dates for 2020. Level 4 lockdown period began at the start of 26 March and ended at the start of 28 April.

*Source:* IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

## Jobseeker Support Work-Ready grants account for the vast majority of the increase

Grants for most benefit types were higher over the lockdown period compared with the same period a year ago. The most notable exception to this was grants for Jobseeker Support Health Condition and Disability (JS-HC&D) which were 34% lower (1,189 fewer grants) than the same period in 2019. This may in part be driven by a difficulty in getting medical certificates, and a change in the requirement to get one during lockdown, leading to those who would normally be granted JS-HC&D being granted JS-WR or Emergency Benefits instead.

In contrast, Jobseeker Support Work-Ready (JS-WR) grants were up 319%, or 29,655 grants higher than the same period in 2019, accounting for 94% of the increase in all benefit grants.

## While all regions saw an increase in JS-WR grants, some regions had larger increases than others during the lockdown period

Nelson, Southern, and Auckland Metro had the highest proportional increases compared with the same period in 2019. Nelson and Southern regions have historically had strong labour markets with relatively low benefit numbers. These are also regions that have significant tourism sectors. In contrast, Taranaki, the Waikato, and Central regions showed the smallest increases (see Table 1).

Table 1: JS-WR grants by region, counts and proportional change between lockdown period in 2020 and same period in 2019

Region	Equivalent lockdown period 2019	Lockdown period 2020	Difference (2020-2019)	Proportional change
Nelson	267	1,586	1,319	494%
Southern	537	3,033	2,496	465%
Auckland Metro	2,983	13,919	10,936	367%
Canterbury	684	3,067	2,383	348%
Northland	513	2,075	1,562	304%
Wellington	767	2,965	2,198	287%
Bay of Plenty	809	3,104	2,295	284%
East Coast	618	2,313	1,695	274%
Taranaki	518	1,796	1,278	247%
Waikato	864	2,988	2,124	246%
Central	564	1,739	1,175	208%
Other	181	375	194	107%
<b>Total</b>	<b>9,305</b>	<b>38,960</b>	<b>29,655</b>	<b>319%</b>

Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

## A greater proportion of JS-WR grant recipients have little or no recent benefit history

During the lockdown there have been increases in JS-WR recipients with every type of benefit history compared with the same period in 2019. However, the size of the increase has been most pronounced for those who were last on a benefit more than five years ago, or who have no previous benefit history.

Those with no benefit history or who had last received a benefit over a decade ago, amounted to 46% of new JS-WR grants over the lockdown, compared with just 26% for the same period in 2019 (see Table 2).

Table 2: JS-WR grants by time since last on a benefit, counts and proportion of total for lockdown period in 2020 and same period in 2019

Time since last on a benefit	Equivalent lockdown period 2019	Lockdown period 2020	Proportion of total JS-WR 2019	Proportion of total JS-WR 2020
Less than 5 years	6,414	17,505	69%	45%
5-10 years	510	3,687	5%	9%
10 plus years / no previous history	2,381	17,768	26%	46%
<b>Total</b>	<b>9,305</b>	<b>38,960</b>	<b>100%</b>	<b>100%</b>

Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

## Younger people and New Zealand European represent a greater proportion of new JS-WR grant recipients during the lockdown compared with the same period a year ago, gender composition remains the same

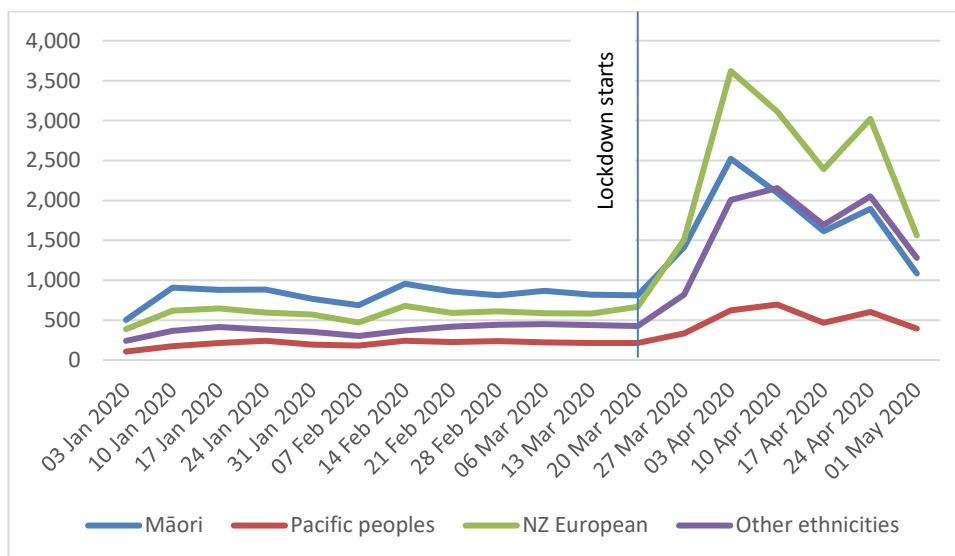
JS-WR grants increased across all age groups but were higher for those in their 20's. This group's share of new grants increased from 37% to 45% during the lockdown compared with the same period in 2019.

The share of new grants for those in other age groups was roughly similar in 2020 and 2019 for this period, with some slight proportional declines for those in their teens, 40's, or 50's.

Similarly, JS-WR grants increased across all ethnic groups but particularly so for those identifying as NZ Europeans. This group increased as a share of all new grants from 30% to 39% during the lockdown compared with the same period in 2019.

New grants for Māori and Pacific peoples applicants grew comparatively more slowly resulting in proportional declines for both groups over the lockdown compared with the same period in 2019. This was particularly the case for Māori which declined as a share of JS-WR grants, falling from 42% to 27% of JS-WR grants.

Figure 2: JS-WR weekly benefit grants over the past 18 weeks by ethnicity



*Note:* Horizontal axis shows weekly end dates for 2020. Level 4 lockdown period began at the start of 26 March and ended at the start of 28 April.

*Source:* IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

These changes may reflect that this downturn is impacting a broader group of people than usual, with a greater cross section of society impacted. It is important to note that while Māori have declined as a proportion of new JS-WR grant recipients compared with last year (27% down from 42%), Māori are still overrepresented in these figures compared to their share of the total population which stands at around 17%.

In contrast to age and ethnicity, the gender composition of new JS-WR applicants has remained steady with similar proportions seen between the same periods in 2019 and 2020 (see Table 3).

*Table 3: JS-WR grants by time since last on a benefit, counts and proportion of total for lockdown period in 2020 and same period in 2019*

<b>Gender</b>	<b>Equivalent lockdown period 2019</b>	<b>Lockdown period 2020</b>	<b>Proportion of JS-WR 2019</b>	<b>Proportion of JS-WR 2020</b>
Female	3,894	16,479	41.8%	42.3%
Male	5,411	22,390	58.2%	57.5%
Gender Diverse	-	91	-	0.2%
<b>Total</b>	<b>9,305</b>	<b>38,960</b>	<b>100%</b>	<b>100%</b>

*Note: The option to select gender diverse was added in 2020 so there are no figures for this group for the 2019 period.*

*Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development*

## **Recent JS-WR grant recipients are also relatively more likely to have lost higher weekly earnings and slightly less likely to take up accommodation supplements**

While JS-WR grants have increased for those with and without lost earnings, increases in grants to those with lost weekly earnings of \$585 or greater outstripped those with less or no lost earnings. As a result, those with higher earnings losses have increased as a proportion of the total for new JS-WR grants during the lockdown (see Table 4).

*Table 4: JS-WR grants by weekly lost earning, counts and proportion of total for lockdown period in 2020 and same period in 2019*

<b>Weekly lost earnings at time of grant</b>	<b>Equivalent lockdown period 2019</b>	<b>Lockdown period 2020</b>	<b>Proportion of JS-WR 2019</b>	<b>Proportion of JS-WR 2020</b>	<b>Difference</b>
\$0	4,041	13,365	43%	34%	-9%
\$1-\$584	2,502	9,702	27%	25%	-2%
\$585-\$880	1,506	7,934	16%	20%	4%
\$881-\$1,200	623	4,499	7%	12%	5%
\$1,201+	385	3,180	4%	8%	4%
Missing	248	280	3%	1%	-2%
<b>Total</b>	<b>9,305</b>	<b>38,960</b>	<b>100%</b>	<b>100%</b>	

*Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development*

Additionally, the proportion of new JS-WR grants that also received the Accommodation Supplement (AS) or the Temporary Accommodation Supplement (TAS) at the time of issuance decreased slightly during lockdown, from 72% in the same period in 2019 to 66% this year. Understanding this will require further investigation but is likely to be a combination of factors such as recent grant recipients not meeting the asset test to

receive AS or TAS either because they own their home or who are renting but have funds on hand (due to redundancy payments/savings).

## **While ‘returning to New Zealand’ increased as a reason given over the lockdown period, job loss remains the most common recorded reason for JS-WR**

As with other breakdowns, JS-WR grants increased for all reasons recorded but was especially pronounced for those returning to New Zealand, which grew to 4,718 over the lockdown compared with just 424 in the same period in 2019. However, returning to New Zealand only accounted for around 12% of reasons recorded for new JS-WR grants with 45% of grants being driven by job loss.

*Table 5: JS-WR grants by reason recorded, counts and proportion of total for lockdown period in 2020 and same period in 2019*

<b>Reason recorded</b>	<b>Equivalent lockdown period 2019</b>	<b>Lockdown period 2020</b>	<b>Proportion of JS-WR 2019</b>	<b>Proportion of JS-WR 2020</b>
Ceased Work	3,566	17,596	38%	45%
Available for Work	2,029	8,699	22%	22%
Returned to NZ	424	4,718	5%	12%
Testing Eligibility	667	2,945	7%	8%
Income Reduced	290	1,377	3%	4%
Released from Prison	684	1,091	7%	3%
All other reasons	1,645	2,534	18%	6%
<b>Total</b>	<b>9,305</b>	<b>38,960</b>	<b>100%</b>	<b>100%</b>

*Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development*