



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Evidence Brief

**Jobseeker Support Work-Ready grants and
cancellations during and after lockdown in
NZ - impacts to the seventh week of Alert
Level 1**

July 2020

Author

Julian Heister and Eric Krassoi Peach

Disclaimer

The views and interpretations in this report are those of the researcher(s) and are not the official position of the Ministry of Social Development.

Readers should note that while the report has been through a quality assurance and proofing process, it has not been through the Ministry's full Publications Committee process, since the value and relevance of the report is considered tied to it being made promptly available.

Date of publication

This report was completed in July 2020 and published in the MSD Research Archive website in 2020.

www.msd.govt.nz/insights

ISBN

978-1-99-002300-2

Introduction

The COVID-19 pandemic has brought about changes to all aspects of life and has put increased pressure on government services and the welfare system. While the initial health crisis has abated in recent weeks, the social and economic impacts of the pandemic will continue to develop over the coming months. As such, there is an ongoing need to monitor who is affected by the crisis to support service and policy responses and maximise the effectiveness of available resources.

This report considers changes in the flows, both in and out, of those receiving Jobseeker Work-Ready (JS-WR)¹ as it is this cohort who are currently driving the vast majority (almost 80%) of the increase in the total number of people on benefit since the start of Alert Level 4.

The report also contains a short section on the COVID-19 Income Relief Payment (CIRP). The introduction of the new payment (on 8 June 2020) means that JS WR numbers may be a less complete labour market indicator on its own. A full analysis of the payment is not available for this report, but will be included in the next iteration of this report.

The previous brief² on *the composition of Jobseeker Support Work-Ready grants during lockdown in New Zealand* focused on how the size and composition of recent JS-WR grants had changed during the Alert Level³ 4 lockdown in comparison with the same period a year earlier. It showed that in addition to significantly more grants being issued, a greater proportion of JS-WR grant recipients during Alert Level 4 were younger, New Zealand European, with little or no recent benefit history and have higher amounts of lost weekly income than those of the same period in 2019.

This report builds from the April 2020 results and explores:

- the size and composition of recent JS-WR grants as the country moved through Alert Levels 3, 2, and 1.
- changes in the number and composition of those leaving benefit (called benefit cancellations), particularly cancellations from recipients moving into employment.

The report covers weekly benefit developments for four distinct time periods until the week ending 24 July⁴:

- Five weeks in Alert Level 4 (week ending 27 March to week ending 24 April).
- Three weeks in Alert Level 3 (week ending 1 May to week ending 15 May).
- Three weeks in Alert Level 2 (week ending 22 May to week ending 12 June).
- Seven weeks in Alert Level 1 (week ending 12 June to week ending 24 July).

MSD has finalised the benefit number forecasts (covering the next five years) as part of the Pre-Election Economic and Fiscal Update, which will be published on 20 August 2020.

¹ Please note that for all figures, Jobseeker Support – Work Ready Training are excluded from Jobseeker benefit totals.

² See *The composition of Jobseeker Support Work-Ready grants during lockdown in NZ to end April 2020* found [here](#)

³ <https://covid19.govt.nz/covid-19/restrictions/alert-system-overview/>

⁴ Note, that the first full day in Alert Level 4 and 2 was a Thursday. These are included as the first week of Alert Level 4 and the last week of Alert Level 3 respectively. The general term 'lockdown' in this report refers to the time period of Alert Level 4 and Alert Level 3 in 2020.

Key points

The number of people coming onto JS-WR remains greater than those leaving, thereby growing the total number of people on the JS-WR benefit

- During Alert Level 4, weekly Jobseeker work-ready (JS-WR) grants rose, reaching a high of 8,773 grants in the second week of lockdown. JS-WR grants then declined through Alert Levels 3 and 2, levelling off in the first seven weeks of Alert Level 1 at an average of about 2,700 grants per week.
- While grants during the first seven weeks of Alert Level 1 were much closer to those a year prior, they remain somewhat elevated – 27% higher than the same period in 2019.
- The number of people moving from JS-WR into employment fell from 1,228 the week before Alert Level 4, down to 275 two weeks later. JS-WR exits trended upward thereafter, reaching a high of 1,555 exits in the third week of Alert Level 1.
- Exits into employment have exceeded the equivalent period in 2019 each week since the second week of Alert Level 3 likely reflecting both the higher number of people on JS-WR, and the reduction in restrictions moving into Alert Level 1.
- Despite the recent increase in JS-WR exits, the number of total JS-WR grants since the start of lockdown has outstripped the number of total JS-WR cancellations (72,788 grants compared with 30,495 exits, from start of Alert Level 4 to the end of the seventh week of Alert Level 1).
- The net result of these shifts is that the total number of people on a JS-WR benefit continued to increase throughout Alert Levels 3, 2, and 1 from 81,976 at the start of Alert Level 4 to 124,618 at 24 July 2020.

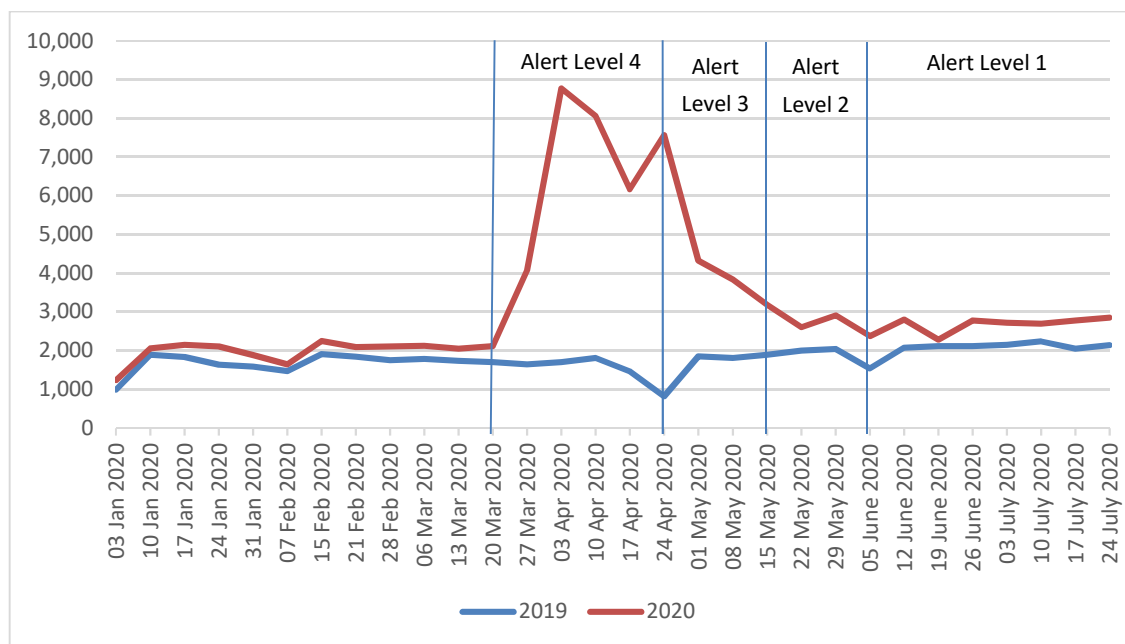
The people who have driven the increase in JS-WR grants are similar to the people driving the exits into employment

- While JS-WR grants have increased across all groups, the shifts in the demographic make-up of grants seen during Alert Level 4 continued through Alert Levels 3, 2, and 1, but to a lesser extent. This means that over all four alert levels a greater proportion of JS-WR grant recipients were younger, New Zealand European, with little or no recent benefit history and have higher amounts of lost weekly income compared with the same period in 2019.
- That said, JS-WR grants for Māori also increased, and Māori continue to be overrepresented in total JS-WR figures. At the end of June, Māori accounted for 41% of all those on JS-WR, while making up around 16.5% of the total population in New Zealand.
- Exits into employment since the beginning of Alert Level 4 mirrored the demographic shifts in JS-WR grants, with a greater proportion of exits who were younger, New Zealand European, and have shorter benefit duration.
- JSWR grants to returning New Zealanders declined over Alert Levels 3, 2, & 1 (2,450 compared with 4,270 in Alert Level 4). This meant that while 12% of JS-WR grants during Alert Level 4 were to returning New Zealanders (compared with 5% over the same time in 2019), they made up just 6% in Alert Levels 3, 2, & 1 (compared with 4% in 2019).
- The gender composition of JS-WR exits into employment was similar compared with the same time last year, but women re-entered the job market at a slightly higher rate than the same period in 2019.
- The introduction of the COVID-19 Income Relief Payment means that JS-WR numbers may now be a less complete labour market indicator on its own, and the two payments should not be looked at in isolation to tell the full story.

People moving onto Jobseeker work-ready rose during Alert Level 4, declining thereafter through Alert Levels 3 and 2

Following the start of Alert level 4, Jobseeker work-ready (JS-WR) grants rose in response to the increased restrictions and economic uncertainty, reaching a high of 8,773 grants in the second week of lockdown (see Figure 1). As Alert Level restrictions eased following the end of Alert Level 4, the number of JS-WR grants then declined with a considerable fall at the start of Alert Level 3, reaching 2,370 grants in the last full week of Alert Level 2.

Figure 1: Weekly JS-WR grants over the first 30 weeks of year 2019 and 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.

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

Despite easing through Alert Levels 3 and 2, JS-WR grants in Alert Level 1 remain higher than those of the same period a year earlier

Despite levelling off during Alert Levels 3 and 2, weekly JS-WR grants were still 27% higher in Alert Level 1 compared with the same period a year prior, reflecting ongoing weakness in the labour market (for example, online advertisements fell by 31.9 per cent during the June 2020 quarter, and by 45.8 per cent between June 2019 and June 2020⁵). This is before considering the impact of the CIRP which began in June and reduced the number of JS-WR grants in the first seven weeks of Alert Level 1. CIRP and JS-WR grants will be considered together in future reporting (see CIRP discussion on pg 17, and Figure 6 on page 18).

At 24 July 2020, 72,788 JS-WR grants had been issued since the start of Alert Level 4. This is more than double (117%) compared with the same period last year which had just 33,485 JS-WR grants.

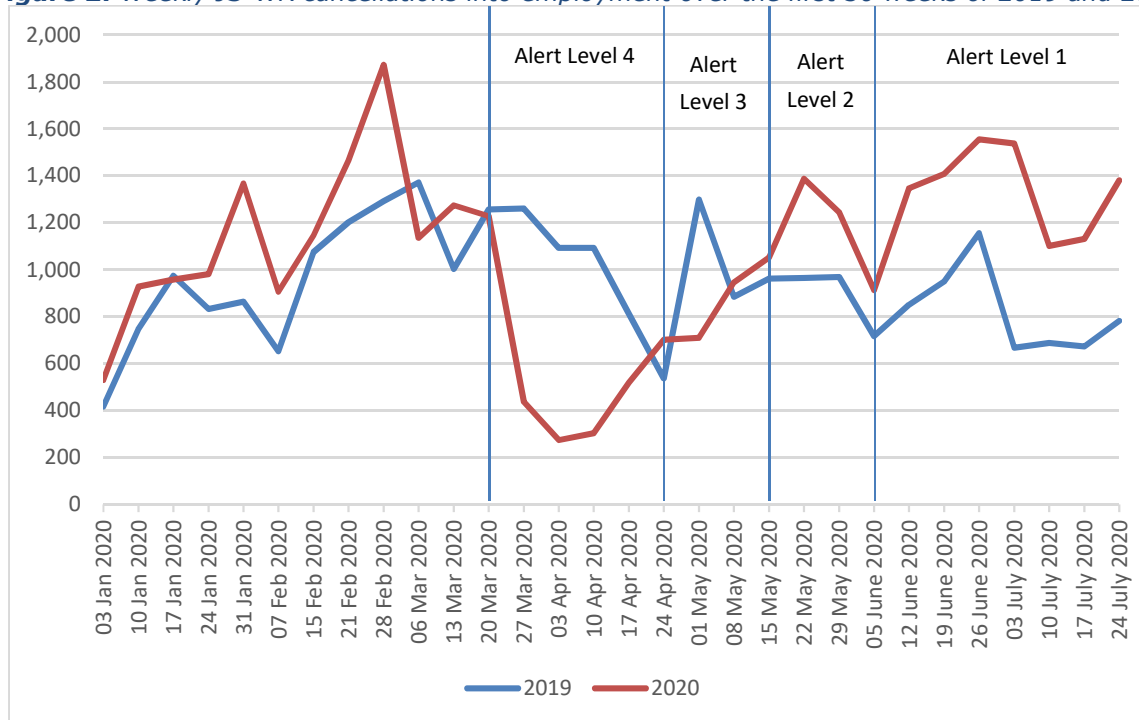
⁵ See <https://www.mbie.govt.nz/assets/jobs-online-quarterly-data-release-june-2020.pdf>

In the first two weeks of Alert Level 4, the number of people moving from JS-WR into employment dropped, but has trended upward thereafter

Compared with the same period last year, benefit cancellations into employment were 53% lower during Alert Level 4 (2,239 compared with 4,796, see Figure 2), reflecting the decline in economic activity over that period. Weekly benefit cancellations into employment dropped dramatically from 1,228 in the week before Alert Level 4 to 275 in the second week of lockdown (see Figure 2). Thereafter, as restrictions eased, weekly benefit cancellations into employment rose to reach a high of 1,555 exits in the third week of Alert Level 1.

Weekly cancellations for 2020 have exceeded the equivalent period in 2019 each week since the second week of Alert Level 3 likely reflecting both the higher number of people on JS-WR, and an improvement in labour market conditions moving through to Alert Level 1. This is in line with Treasury reporting which found increasing economic activity in June⁶.

Figure 2: Weekly JS-WR cancellations into employment over the first 30 weeks of 2019 and 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.
Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

⁶ See <https://treasury.govt.nz/system/files/2020-07/weu-17jul20.pdf>

While the proportion of JS-WR cancellations into employment rose following Alert Level 4, the proportion for other reasons were stable compared with the same time last year

While benefits can end for many reasons, obtaining work remained the primary reason for JS-WR cancellations as the country moved through Alert Levels and labour market conditions changed. With fewer jobs available during Alert Level 4, JS-WR cancellations from obtaining work dropped to 44% of all JS-WR cancellations during lockdown compared with 61% during the same time last year. As economic activity resumed during Alert Levels 2 and 1, around 61% of all JS-WR cancellations were from those obtaining work, similar to 60% for the same time last year (see Table 1).

While JS-WR cancellations into employment broadly aligned with the resumption in economic activity as we moved down the Alert Levels, the trend for JS-WR cancellations for all other reasons apart from employment (Table 1) was similar compared with last year (see Appendix, Figure A1).

Table 1: JS-WR cancellations by reason recorded, counts and proportion of total in Alert Levels 2 and 1 and same period in 2019

Reason recorded	Equivalent period 2019	Alert Levels 2+1 2020	Proportion of JS-WR 2019	Proportion of JS-WR 2020
Obtained Work	8,422	13,009	59%	61%
Excess Income/Assets	328	941	2%	4%
In Prison	664	815	5%	4%
Transferred to Another Benefit	721	792	5%	4%
Left NZ	556	383	4%	2%
Change in Marital Status	279	362	2%	2%
All other	3,405	5,075	23%	23%
Total	14,375	21,377	100%	100%

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

Since the number of people coming on JS-WR has consistently exceeded those coming off since the start of Alert Level 4, the total JS-WR population has grown

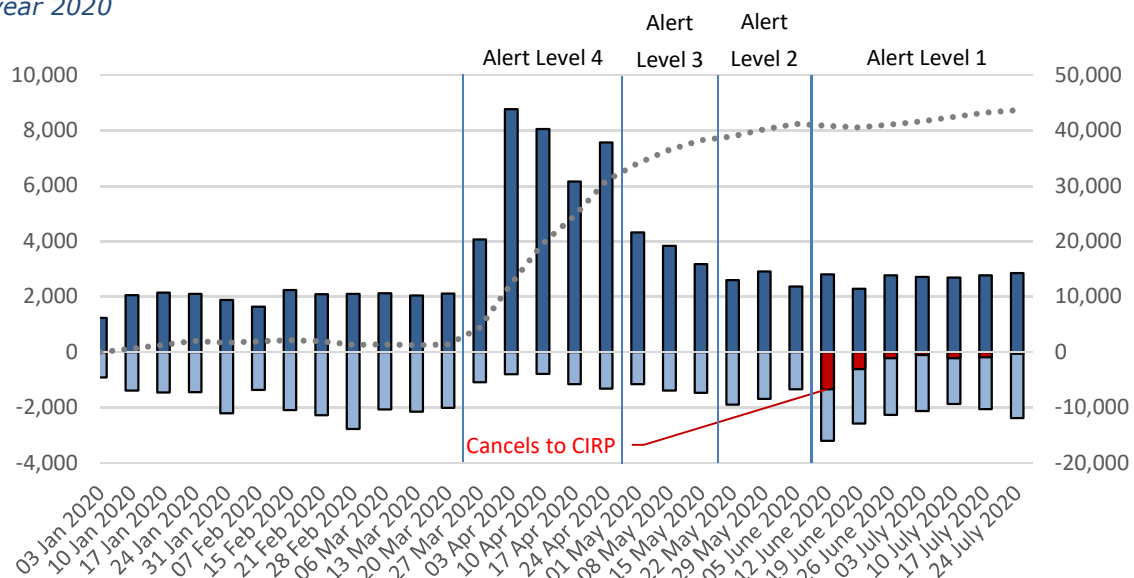
While the number of exits into employment has been trending upward since Alert Level 3, they are still smaller than the growth in grants. The number of JS-WR recipients finding jobs from the start of the lockdown to the end of Alert Level 2 was 20% lower than the previous year, this is unsurprising given the nature of the lockdown. In comparison, grants have increased three-fold compared with the same time last year.

The total number of New Zealanders on a JS-WR benefit increased substantially over the lockdown from the combination of an expansion of grants, and a contraction in benefit cancellations. Note that net changes in the total number of people on a JS-WR benefit include all JS-WR cancellations, namely those to work and those for other reasons.

Figure 3 shows weekly JS-WR grants and JS-WR cancellations, both from obtaining work and all other reasons, and the net cumulative sum of JS-WR grants and cancellations for the first 30 weeks in 2020 to the end of May. The number of JS-WR grants outweighed the number of JS-WR cancellations (72,788 grants to 30,495 cancellations, with 17,956 of these cancellations into employment). This means there have been 42,293 more JS-WR grants than cancellations since the start of Alert Level 4.⁷

Only including exits into employment, the ratio of grants to exits into employment was nearly 15:1 during lockdown Alert Level 4, while the ratio was below 2:1 in the same period last year. During Alert Levels 2 and 1, the ratio of grants to exits into employment had eased to 2:1, equivalent to the ratio the same period last year.

Figure 3: Weekly JS-WR grants (dark bar), cancellations (light bar) with cancellations to CIRP shown in red, with net cumulative total (dotted line and right-hand axis) over the first 30 weeks of year 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.
Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, MSD

⁷ Note, that the grants and cancellations do not include some administrative benefit categories such as suspensions and therefore do not fully represent changes in the official counts of JS-WR.

As with Alert Level 4, a greater proportion of JS-WR grant recipients during Alert Levels 3, 2, and 1 were younger, New Zealand European, with little or no recent benefit history, and higher amounts of lost weekly income

The previous Evidence Brief reported that a greater proportion of grant recipients in Alert Level 4 were younger, New Zealand European, with little or no recent benefit history, and a higher amount of lost weekly income than in the same period in 2019.

This make-up of people coming onto JS-WR continued through Alert Level 3 and was still present in Alert Levels 2 and 1 (see Appendix Figure A2). Table 2 compares the counts and proportions of JS-WR grants by ethnicity, lost weekly earnings, time since last on a benefit, and gender during Alert Level 4 and combined Alert Levels 3, 2, and 1 with the same times last year. Figure A3 in the Appendix shows the proportional differences during lockdown to last year for those demographic groups which had the largest increase in grants.

In Alert Levels 3, 2, and 1, JS-WR grant recipients who identified as New Zealand European still made up the largest group, up 7 percentage points from same period the previous year (29% up to 36%).

While the number of Māori granted JS-WR continued to increase, the proportion of Māori JS-WR grant recipients continued to be smaller compared with the same time last year.

In Alert Level 4, the proportion of JS-WR grant recipients with income losses of more than \$585 was 40% compared with 27% last year. This shift continued into Alert Levels 3, 2, and 1 but with closer proportions (37% of the total compared with 32% in 2019).

For those in their 20's, the difference in proportions of JS-WR grants compared with last year was visible at the beginning of Alert Level 4, peaking in the last week of Alert Level 4 at 40%, up from 28% in the same period in 2019. Thereafter their proportion was just slightly higher than last year and by the end of Alert Level 2 returned to similar levels to the same time in 2019.

In contrast, the gender composition of JS-WR applicants remained relatively steady with similar proportions seen between the same periods in 2019 and 2020.

Those with little or no benefit history made up over half of JS-WR grants in the final week of Alert Level 4. This trend continued, but to a lesser extent, throughout Alert Levels 3 and 2.

Prior to Alert Level 4, those who had never been on a benefit, or had last been on a benefit more than ten years ago made up less than 30% of all JS-WR grants. During Alert Level 4, this group's proportion of the total rose significantly, peaking in the last week of Alert Level 4 at 56% of JS-WR grants. This proportional increase in grants with little or no previous benefit history continued but to a lesser extent in Alert Levels 3, 2, and 1 with this group making up 43% of JS-WR grants during that period.

Table 2: JS-WR grants by ethnicity, age, gender, lost weekly earnings, and time since last on a benefit - counts and proportion of total for Alert Level 4 and combined Alert Level 3, 2, and 1 in 2020 and the same period in 2019

	Alert Level 4 2020/2019 comparison				Alert Levels 3,2,&1 2020/2019 comparison			
	2019	2020	Proportion of total JS WR 2019	Proportion of total JS WR 2020	2019	2020	Proportion of total JS WR 2019	Proportion of total JS WR 2020
Ethnicity								
Māori	3,080	9,537	41%	28%	11,360	12,571	44%	33%
NZ European	2,209	13,656	30%	39%	7,623	13,552	29%	36%
Pacific peoples	759	2,724	10%	8%	2,601	3,600	10%	9%
Other/Unspecified	1,403	8,721	19%	25%	4,450	8,427	17%	22%
Age								
teen	1,099	3,596	15%	11%	3,357	5,213	13%	14%
20's	2,806	15,648	38%	45%	9,715	15,293	37%	40%
30's-40's	2,362	10,452	31%	30%	8,692	11,494	33%	30%
50's+	1,184	4,942	16%	14%	4,270	6,150	17%	16%
Gender								
Female	3,151	14,678	42%	42%	10,258	15,826	39%	41%
Male	4,300	19,876	58%	57%	15,776	22,225	61%	58%
Gender Diverse	-	84	-	0.2%	-	99	-	0.3%
Weekly lost earnings								
\$0-\$584	5,260	20,464	70%	59%	17,181	23,391	66%	61%
\$585+	1,988	13,945	27%	40%	8,348	14,181	32%	37%
Missing	203	229	3%	1%	505	578	2%	2%
Last benefit								
Less than 5 years	5,111	15,941	68%	46%	18,689	18,617	72%	49%
5-10 years	417	3,312	6%	10%	1,386	2,885	5%	8%
10 plus years / no previous history	1,923	15,385	26%	44%	5,959	16,648	23%	43%
Returning NZers	339	4,270	5%	12%	1,154	2,450	4%	6%
Total	7,451	34,638			26,034	38,150		

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

Despite recent changes in JS-WR inflows, JS-WR grants for Māori also increased. At the same time, Māori made up a smaller proportion of JS-WR grants *and* exits into employment

While Māori made up a smaller proportion of JS-WR grants during Alert Level 4 compared to the same period in 2019 (28% of total JS-WR grants, Table 2), Māori also made up a smaller proportion of those finding employment during Alert Levels 3, 2, and 1 (27%, Table 5). This suggests Māori may be experiencing more difficulties re-entering the labour market and is a trend that should be monitored in the upcoming weeks and months.

For Pacific peoples, the proportion of JS-WR grants and exits was stable, with 7% of grants in Alert Level 4 and 7% of exits in Alert Levels 3, 2, and 1.

The increase of the proportion of exits for the group 'Other/Unspecified' in Alert Levels 3, 2, and 1, was driven mainly by those whose ethnic identity was not specified.

Māori continue to be overrepresented in JS-WR benefits as share of the total population

Table 3 compares the counts and proportions of JS-WR recipients at the end of February with those at the end of June this year. While the proportion of New Zealand European JS-WR recipients increased slightly by 3 percentage points (29% up to 31%), Māori still made up the largest proportion of JS-WR recipients at the end of June (41%). The proportion of Pacific peoples was stable (9%). While the number of JS-WR grants increased across all ethnicities, Māori are still overrepresented in these figures compared with their share of the total population which stands at around 16.5%.⁸

Table 3: Total JS-WR recipients by ethnicity end of February and June 2020

Ethnicity	JS WR end of February 2020	JS WR end of June 2020	Proportion of total JS WR February 2020	Proportion of total JS WR June 2020
Māori	38,448	50,403	46%	41%
NZ European	23,918	38,837	29%	31%
Pacific peoples	7,423	11,312	9%	9%
Other/Unspecified	13,211	23,413	16%	19%
Total	83,000	123,965	100%	100%

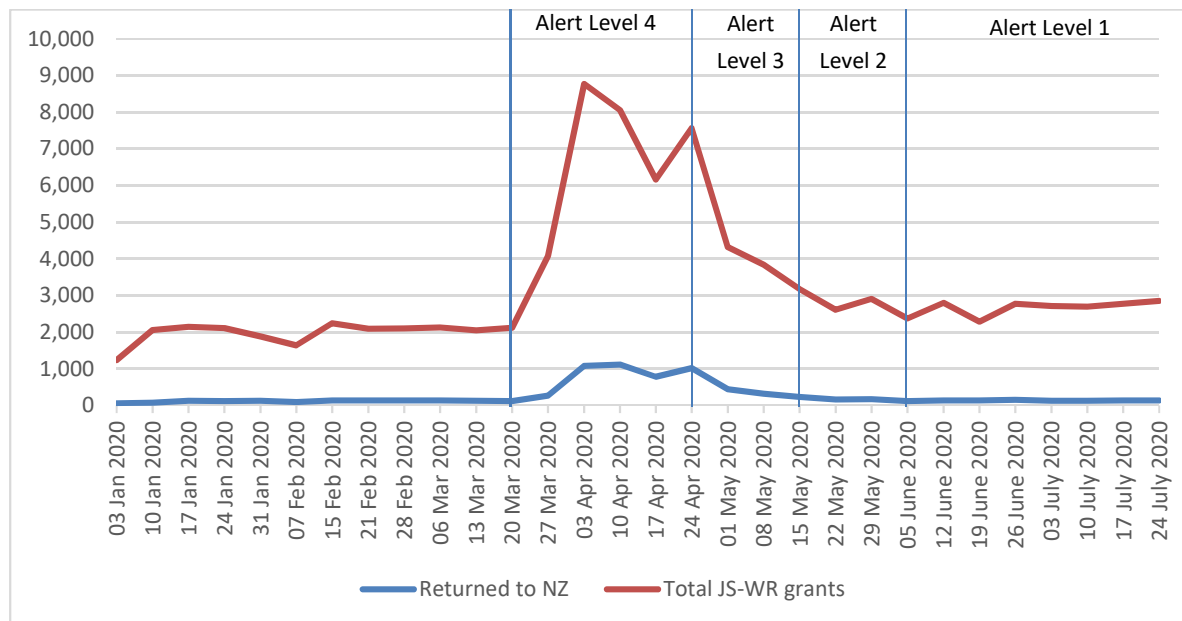
Source: Monthly benefit figures, Ministry of Social Development [here](#).

⁸ Proportion from the 2018 Census [here](#).

JS-WR grants to returning New Zealanders declined significantly over Alert Levels 3, 2, and 1 and were more likely to be female, younger, and New Zealand European

JS-WR grants to returning New Zealanders rose in Alert Level 4 to total of 4,274 grants. This compared with just 339 grants for returning New Zealanders over the same period in 2019. Over Alert Levels 3, 2, and 1, returning New Zealanders accounted for just 2,450 JS-WR grants, just a little over half the Level 4 figure in spite being more than double the number of weeks (See Figure 4).

Figure 4: Weekly JS-WR grants into employment, Total and those for returning New Zealanders over the first 30 weeks of 2019 and 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.
Source: IAP Data Warehouse, prepared by Business Intelligence, Insights MSD Group, Ministry of Social Development

Table 4 (overleaf) shows the working age JS-WR grants for New Zealanders returned from overseas and all others from 1 March 2020 to 30 June 2020 by age, gender, and ethnicity. Over this period those going on JS-WR who had returned to New Zealand from abroad had higher proportions of women, those in their 20’s, and New Zealand Europeans than other JS-WR grant recipients.

Table 4: Working Age Jobseeker Work Ready grants for returned from overseas and all others from week ending 27 March 2020 (start of Alert Level 4) to week ending 24 July 2020 by ethnicity, age, and gender

	Returning NZers		All others	
	Number	%	Number	%
Ethnicity				
Māori	1,229	18%	20,879	32%
NZ European	3,117	46%	24,091	36%
Pacific peoples	385	6%	10,233	15%
Other/Unspecified	1,989	30%	10,865	16%
Age				
teen	426	6%	8,383	13%
20's	3,946	59%	26,995	41%
30's-40's	1,714	26%	20,232	31%
50's+	634	9%	10,458	16%
Gender				
Female	3,430	51%	27,074	41%
Male	3,270	49%	38,831	59%
Gender Diverse	20	0.30%	163	0.25%
Total	6,720		66,068	

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

Recent exits into employment mirrored the demographic shifts in JS-WR grants, with a greater proportion of exits during and since Alert Level 4 who were younger, New Zealand European, and have shorter benefit duration

JS-WR exits into employment decreased across all groups in Alert Level 4. With fewer jobs available and consequently fewer exits into employment, the differences between demographic groups were small in Alert Level 4 (see Table 5).

In Alert Levels 3, 2, and 1, the proportion of cancellations for those in their 20's increased to 49% up from 42% compared with the same time last year. At the same time, the proportion of cancellations for JS-WR recipients in their 40's declined slightly.

As the country moved through Alert Levels, the share of New Zealand Europeans exiting a JS-WR benefit into employment was higher in Alert Levels 3, 2, and 1 than the same time last year (33% up to 42%, Table 5, see also Appendix, Figure A3). This is not surprising, but only mirrored their increased proportion of JS-WR grants in Alert Level 4 (39%, see Table 2).

The gender composition of JS-WR exits into employment was similar compared with the same time last year, but women were slightly more likely to re-enter the job market

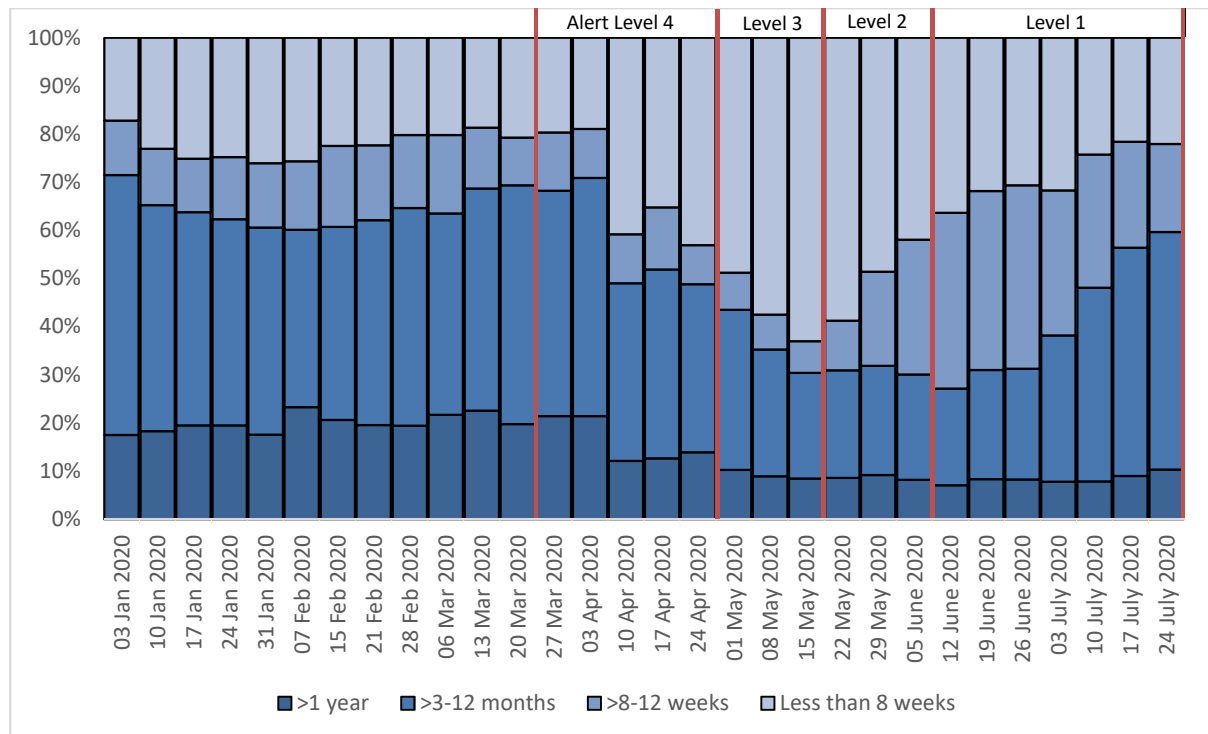
Overall, the gender composition of JS-WR exits into employment was very similar compared with last year. Women had a slight proportional increase in JS-WR exits into jobs in the third and fourth week of Alert Level 4 compared with the same weeks in 2019 (8% and 6%). This resulted in a slightly higher proportion of women finding jobs during Alert Level 4 compared with the same time last year (40% up to 43%, see Table 5).

The proportion of women receiving a JS-WR grant slightly increased in Alert Levels 3, 2, 1 compared with the same time in the previous year (38% to 40.7%). Consequently, the gender composition has not changed much over Alert Levels 3, 2, and 1.

Shorter times on a JS-WR benefit are mainly a result of the large proportion of recent grants

Before lockdown in 2020, the proportion of exits into employment for those on a JS-WR grant for less than three months was just under 40%. Over Alert Levels 3, 2, and 1 their proportion nearly doubled compared to the same time last year (from 34% up to 62%) (Figure 5, top two groups, see also Table 5).

Figure 5: Proportions of weekly JS-WR exits to work by time on benefit over the first 30 weeks of year 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.

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

Table 5: JS-WR exits into employment by ethnicity, age, gender, and time on a benefit, counts and proportion of total for lockdown Alert Level 4 and Alert Levels 3, 2, and 1 in 2020 and same period in 2019

	Alert Level 4 2020/2019 comparison				Alert Levels 3,2,&1 2020/2019 comparison			
	2019	2020	Proportion of total JS WR 2019	Proportion of total JS WR 2020	2019	2020	Proportion of total JS WR 2019	Proportion of total JS WR 2020
Ethnicity								
Māori	2,095	910	44%	41%	4,504	4,243	39%	27%
NZ European	1,481	740	31%	33%	3,775	6,550	33%	42%
Pacific peoples	397	166	8%	7%	1,077	1,102	9%	7%
Other/Unspecified	823	423	17%	19%	2,212	3,822	19%	24%
Age								
teen	481	182	10%	8%	1,190	1,484	10%	9%
20's	1,880	909	39%	41%	4,815	7,647	42%	49%
30's-40's	1,621	723	34%	32%	3,770	4,534	33%	29%
50's+	814	425	17%	19%	1,793	2,052	15%	13%
Gender								
Female	1,898	963	40%	43.0%	4,400	6,403	38%	40.7%
Male	2,898	1,274	60%	56.9%	7,168	9,302	62%	59.2%
Gender Diverse	-	2	-	0.1%	-	12	-	0.1%
Time on benefit								
Less than 8 weeks	936	747	19%	33%	2,574	6,071	22%	39%
>8-12 weeks	558	236	12%	11%	1,318	3,711	11%	24%
>3-12 months	2,287	902	48%	40%	5,315	4,583	46%	29%
>1 year	1,015	354	21%	16%	2,361	1,352	21%	8%
Total	4,796	2,239	100%	100%	11,568	15,717	100%	100%

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

Those regions with the largest proportional increase in JS-WR grants in Alert Level 4 also saw the largest proportional increase in people finding jobs over Alert Levels 3, 2, and 1 compared with the same time last year

Over the full period including Alert Levels 3, 2, and 1, JS-WR exits into employment in most regions had proportional increases compared with the same time last year (see Table 6).

In Alert Level 4, Nelson, and Canterbury were amongst those with the highest increases in JS-WR grants. They also had the highest proportional increases in JS-WR exits into employment over Alert Levels 3, 2, and 1 compared with the same time last year.

Auckland Metro, being a large contributor to the New Zealand labour market, had the highest (64%) proportional decrease in people finding jobs in Alert Level 4 compared with last year, decreasing its share of all cancellations from 25% in the same time last year to 20%. Over Alert Levels 3, 2, and 1, JS-WR exits into employment in Auckland Metro increased to 4,452 in that period, 40% higher than those for the same time in 2019 (when there were 3,190).

Table 6: JS-WR exits to work by region in Alert Levels 3, 2, and 1 counts and proportional change between 2020 and same period in 2019

Region	Equivalent period 2019	Alert Levels 3, 2, & 1 2020	Difference (2020-2019)	Proportional change
Canterbury	825	1,673	848	103%
Nelson	360	692	332	92%
Other	48	77	29	60%
Taranaki	562	854	292	52%
East Coast	614	932	318	52%
Auckland Metro	3,190	4,452	1,262	40%
Southern	747	1,021	274	37%
Northland	608	771	163	27%
Bay of Plenty	1,421	1,747	326	23%
Wellington	1,162	1,371	209	18%
Central	688	780	92	13%
Waikato	1,343	1,347	4	0%
Total	11,568	15,717	4,149	36%

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

The COVID-19 Income Relief Payment

While Jobseeker Support (JS) numbers (particularly for JS-WR) are generally a useful and timely indicator of the current state of the labour market, the introduction of the COVID-19 Income Relief Payment (CIRP) on 8 June 2020 means that JS numbers may not be a reliable labour market indicator on their own. Looking at the interaction of the two payments is important as it will give a better indication of the underlying picture of the labour market, compared to JS or CIRP numbers in isolation.

For people who are coming onto the benefit system now, there will be:

- people coming onto CIRP who would have otherwise come onto JS
- people transferring from JS to CIRP because they are 'better off' on CIRP
- people coming onto CIRP who would not have been eligible for JS because the threshold for partner income is higher than for JS.

So far, this Evidence Brief has covered the changes in the grants and exits of JS-WR, but this section on the CIRP will briefly focus on the high-level trends in the total number of people on CIRP. This is because most of the growth in the number of people receiving the CIRP is driven by grants, with a relatively small number of people exiting the payment.

It is important to note that the combined number of people on CIRP and JS is not directly comparable to JS over time because:

- There are different eligibility criteria for JS and CIRP which means that the combined numbers will be higher than what JS numbers would have been without the CIRP. For example, CIRP has a higher partner income threshold than JS, so some people coming onto CIRP may not have otherwise qualified for JS.
- Reported JS numbers are working-age while reported CIRP numbers include people of all ages and can include NZS recipients.
- Reported CIRP numbers include peoples' partners who are also on CIRP, which is inconsistent to the way that JS numbers are officially reported which only include the primary recipient

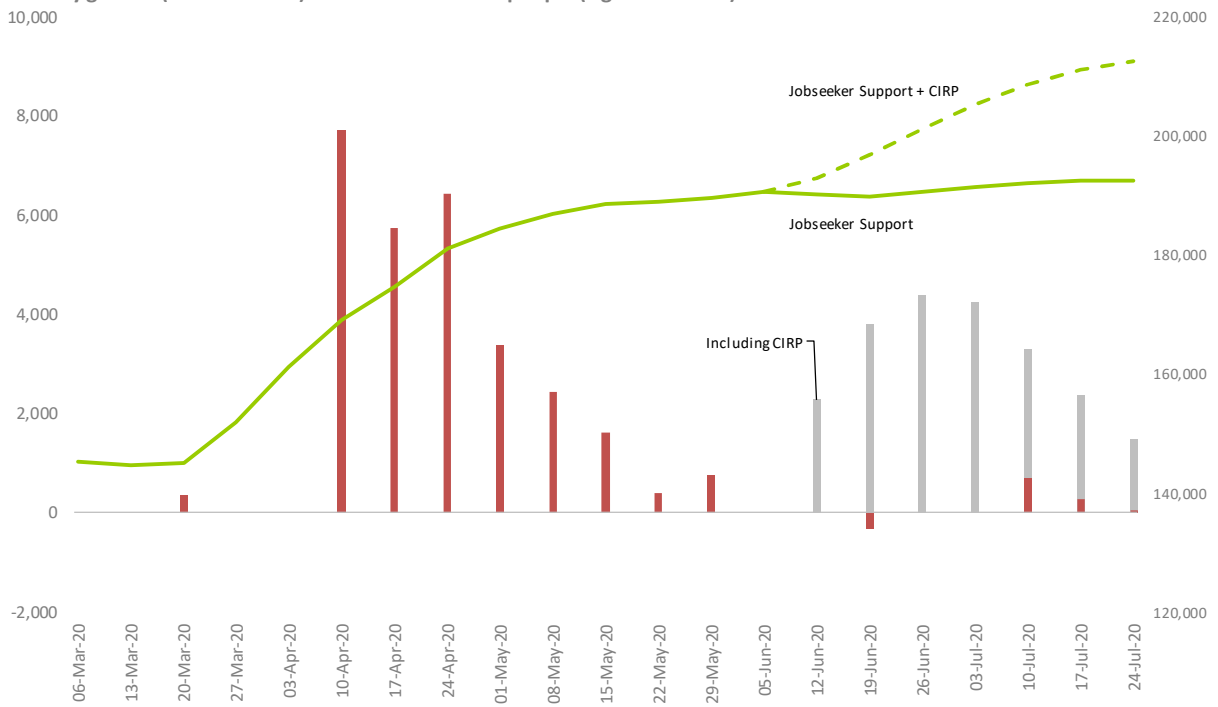
As at 24 July 2020, there were 20,023 people receiving the CIRP. Of these, most were receiving the full-time payment rate (90%). A relatively small proportion of people receiving the CIRP had previously been receiving another main benefit, with Jobseeker Support being the main transfer of people from other payment (at 14.6 percent). Most people on CIRP having come from outside the benefit system due to the policy criteria.

Growth in the number of people on CIRP is currently averaging around 2,900 new people each week on the payment since it was introduced on 8 June 2020. Most of the growth in CIRP so far occurred in the first three weeks of its inception.

As shown in Figure 6 below, the weekly growth in the relief payment and Jobseeker Support has slowed in the last four weeks. The red bars represent the weekly change in Jobseeker Support (including both JS-WR and JS Health Condition or Disability) recipients, and the grey bars represent the weekly change in relief payment recipients. Note that the combined number of CIRP and Jobseeker Support recipients, is still increasing over time, though it is slowing.

Figure 6: Jobseeker Support plus CIRP Recipients (including partners)

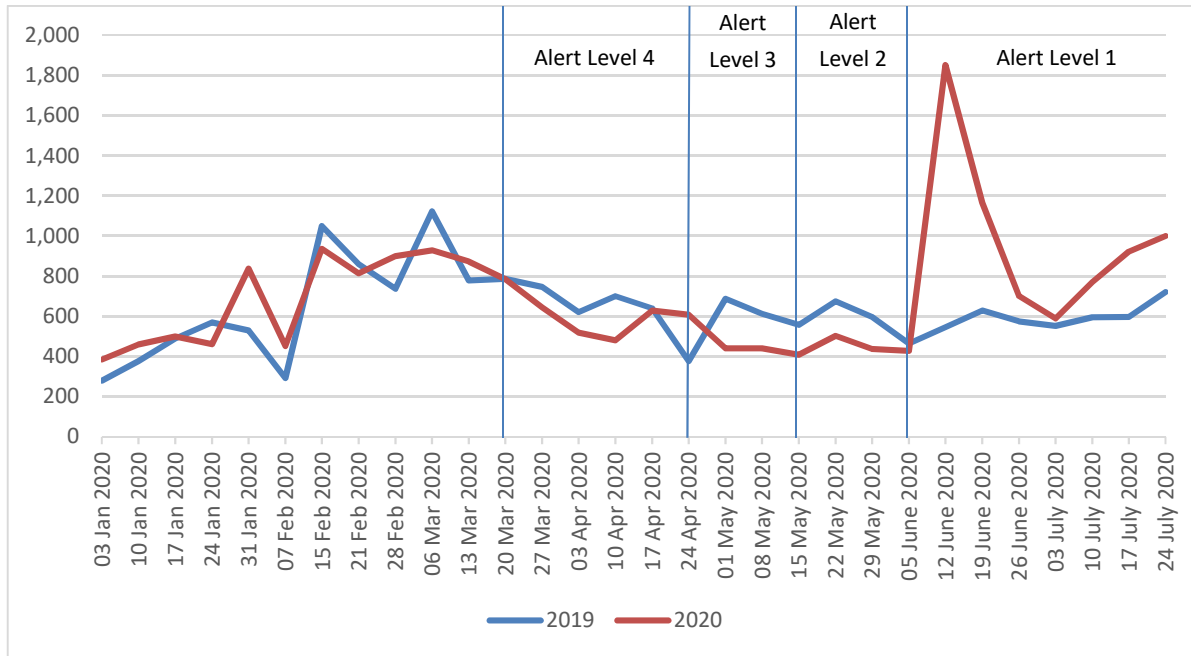
Weekly growth (left hand side) and total number of people (right hand side)



Further breakdowns of the people on the CIRP are not readily available, but further analysis of the characteristics of CIRP recipients will be included in the next iteration of this report.

Appendix

Figure A1: Weekly JS-WR cancellations for other reasons than employment over the first 30 weeks of year 2019 and 2020

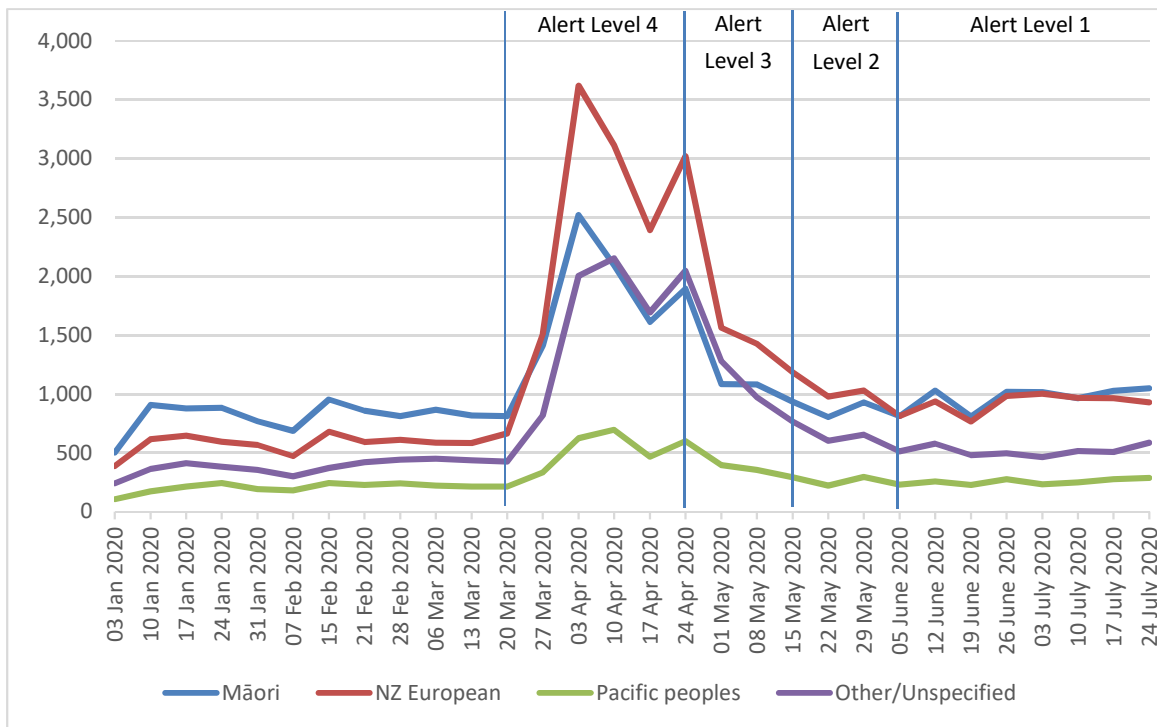


Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.

The spike at the start of June reflects the launch of the COVID-19 Income Relief Payment at that time which allowed JS-WR grant recipients to switch to this new benefit under certain circumstances.

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

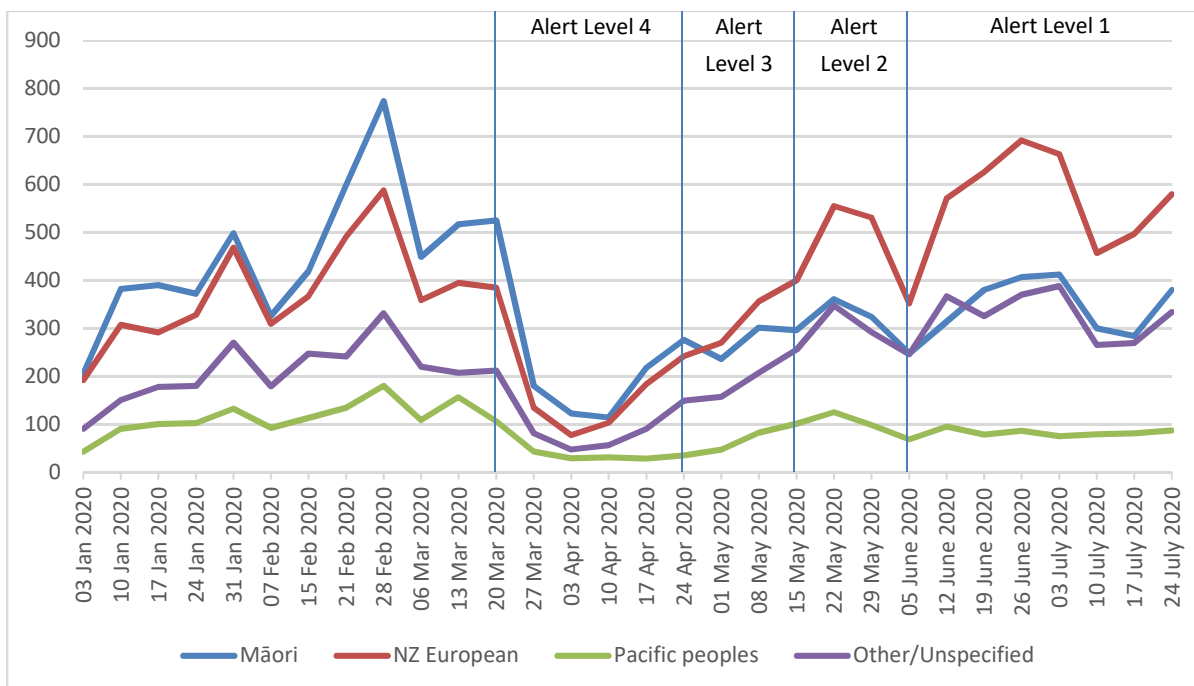
Figure A2: Weekly JS-WR grants by ethnicity over the first 30 weeks of 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.

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

Figure A3: Weekly JS-WR exits to work by ethnicity over the first 30 weeks of 2020



Note: Horizontal axis shows weekly end dates for 2020. Alert Level 4 period began at the start of 26 March, Level 3 starting 28 April, Level 2 starting 14 May, and Level 1 starting 9 June.

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