Disadvantage and how it persists in Aotearoa New Zealand

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Disclaimer

Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022. The results presented in this study are the work of the authors, not Stats NZ or individual data suppliers.

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI, please visit https://www.stats.govt.nz/integrated-data/.

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

Our kaupapa

- Quantitative research as part of *A Fair Chance for All* inquiry
- Focus:
  - Incidence, distribution, and likelihood of experiencing different types of disadvantage and persistent disadvantage
  - Relationship between different characteristics and disadvantage; wellbeing (life satisfaction); and trust in institutions and people

Disadvantage is not simply being income poor

Persistent disadvantage is hard to measure

- At present, longitudinal data following the same people, over time in order to measure persistent disadvantage is limited
  - Mostly collected as part of existing health and developmental and health studies
  - Survey of Families, Income and Employment (SOFIE) between 2002–2009
- Administrative data as part of Integrated Data Infrastructure project helps, but is insufficient
- From 2026, *Living in Aotearoa* survey will allow analysis of persistence for up to 6 years

In the absence of an existing longitudinal dataset, we constructed our own, which allowed measurement of persistent disadvantage at 2 or 3 points of time

Focus and content of datasets

- Focus on working age households (at least one adult aged 25-64)
- HH with adults 18-24 only or 65+ considered separately
- Children considered as part of household
- Personal characteristics (Age, ethnicity, and disability status)
- Household characteristics (family type, household structure, housing tenure, highest qualification, working or labour-force status, and geographical location)

Seven persistent disadvantage measures

Income poor

- <60% of median household equivalised disposable income per person, before housing costs

Doing without / Deprived

- Overcrowded
- No heating

Being left out / Excluded

- Living in a jobless HH
- Living in a no (high school) qualifications HH
- No vehicle in HH
- No internet in HH

Doing without / deprived

Measures from the 2016–2021 HES

People with ≥3 out of 15 measures:

- Gone without fresh fruit and vegetables a lot
- Put up with feeling cold
- Major problem heating home in winter
- Major mould or dampness in home
- Delay repairing/replacing appliances a lot
- Feel limited by money in buying clothes/shoes for self
- Overcrowded household, one or more bedrooms needed
- No two pairs of suitable shoes due to the cost
- No home contents insurance due to cost
- No meat or equivalent at least every second day due to cost
- Buy less meat than would like to a lot
- Cannot pay $500 unexpected expenses
- Late to pay rent or mortgage
- Late to pay car insurance
- Received help from community

Measures from the 2014–2018 GSS

People with ≥2 out of seven measures:

- Gone without fresh fruit and vegetables a lot
- Put up with feeling cold
- Dwelling is colder in winter than would like
- Major mould or dampness in home
- Delay replacing/repairing appliances a lot
- Feel limited in buying clothes/shoes for self
- Overcrowded household, one or more bedrooms needed

Being left out / Excluded

Measures from the 2016–2021 HES

People with ≥2 of 12 measures:

- Jobless household
- No high school qualification the household
- No computer with internet access
- No access to car/van
- Inadequate income to cover basic needs (subjective measure)
- Late to pay utilities/rates
- Done without / cut back trips to shops/local places a lot
- Postponed doctor visits a lot
- No suitable clothes for special days due to cost
- No giving gifts on special days due to cost
- Borrow from family/friends to meet living costs
- No family get-together due to cost

Measures from the 2014–2018 GSS

People with ≥4 of 18 measures:

- Jobless household
- No high school qualification in household
- Inadequate income to cover basic needs (subjective)
- Late to pay utilities/rates
- Done without / cut back on trips to the shops/local places
- Postponed doctor visits a lot
- Not enough contact with family
- Not enough contact with friends
- Hard to talk with someone if depressed
- Hard to ask someone for a place to stay in an emergency
- Experienced discrimination in last 12 months
- Hard to be yourself
- Felt lonely much/all of the time in last four weeks
- Lack of safety due to neighbourhood problems:
  - Noise/vandalism
  - Burglary
  - Assaults
  - Harassment
  - Drugs

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OVERALL RATES OF PERSISTENT DISADVANTAGE

Too many New Zealanders experience persistent disadvantage

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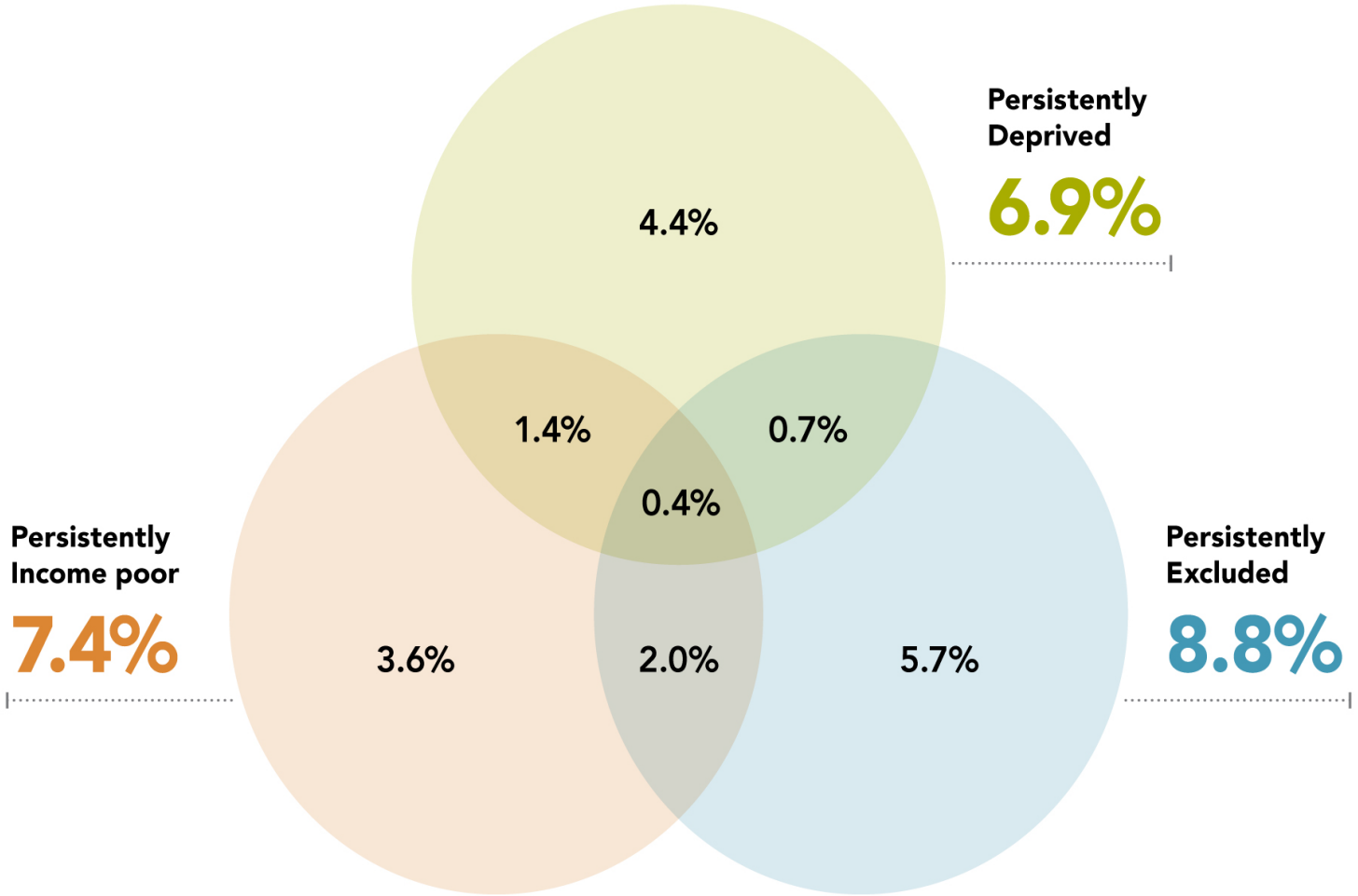
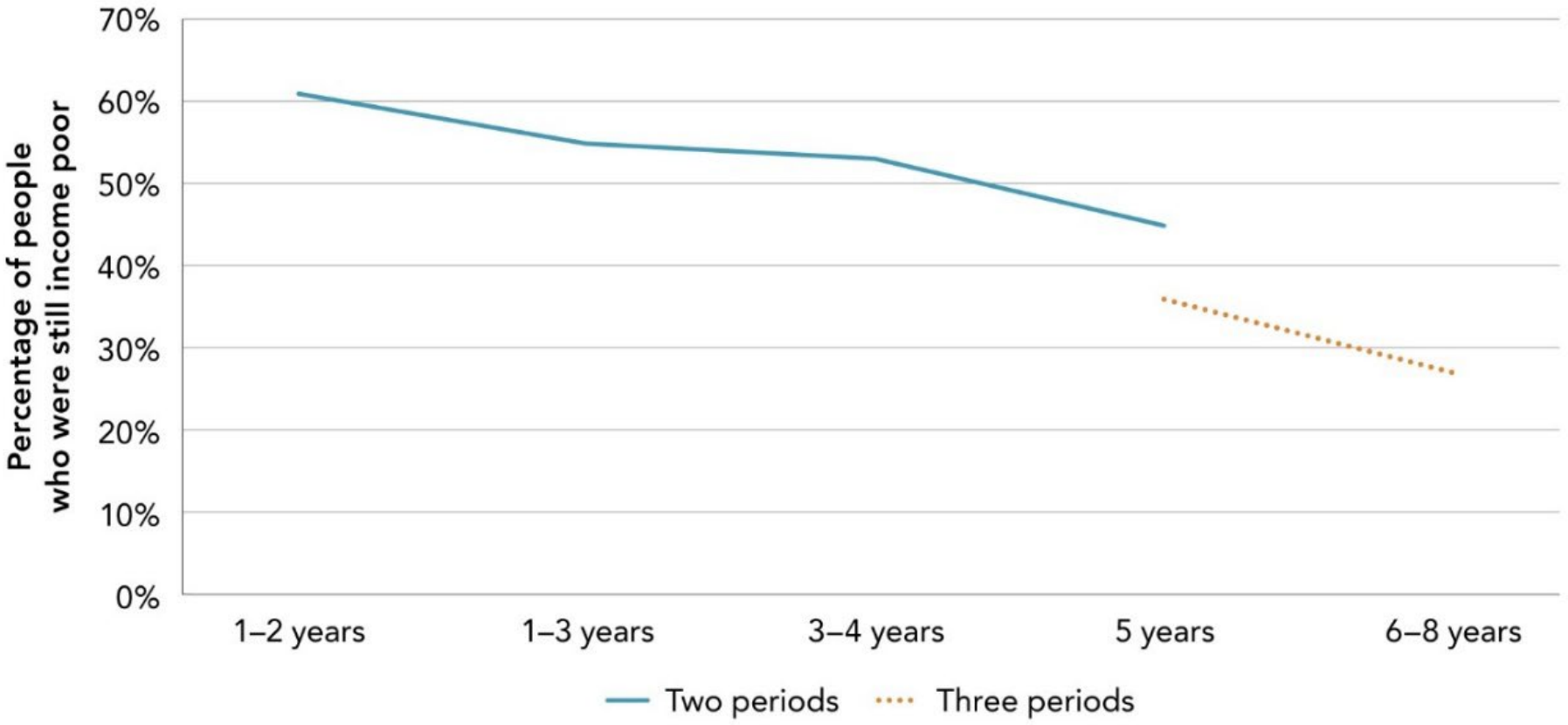
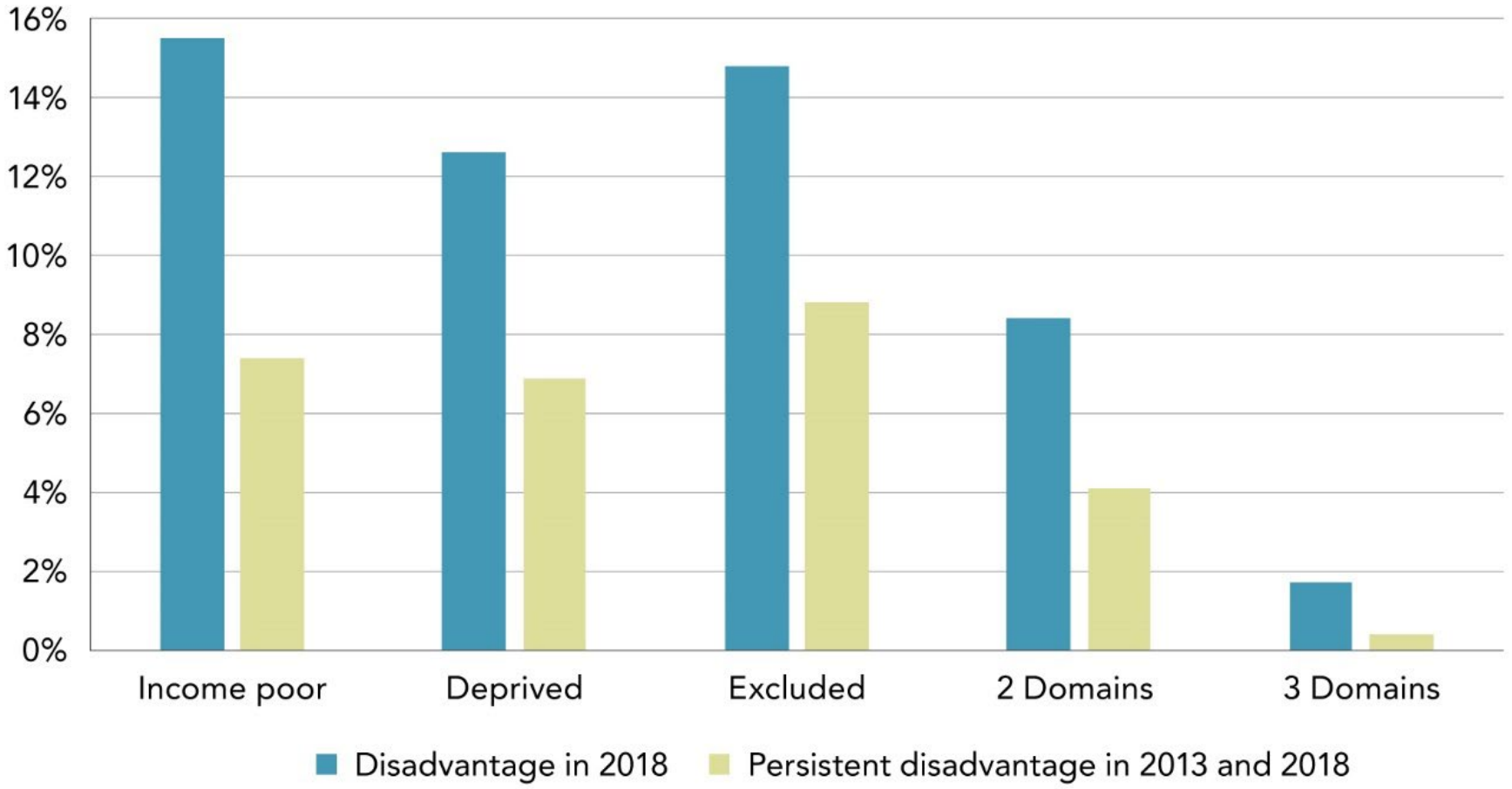


Many people who were income poor in 2013 remained income poor over time



***Source**:* New Zealand Productivity Commission calculations of working-age household population using 2013 and 2018 Census data and the 2016–2021 HES (see Table B1 in Excel workbook for more data).

Disadvantage occurred at higher rates than persistent disadvantage



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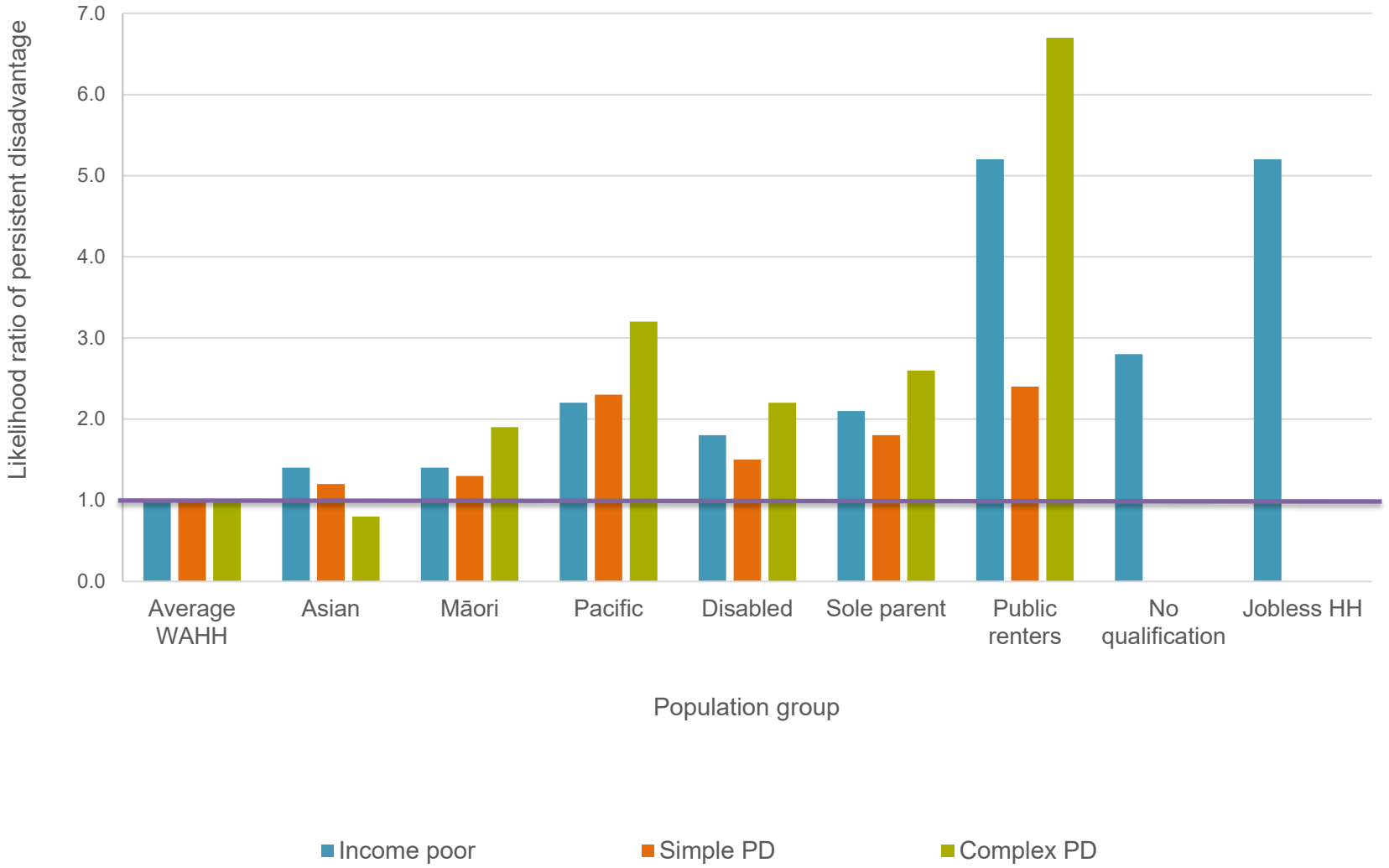
WHO IS AT GREATER RISK OF PERSISTENT DISADVANTAGE?

Likelihood of population groups to experience persistent disadvantage



Combining characteristics revealed even higher rates of persistent disadvantage

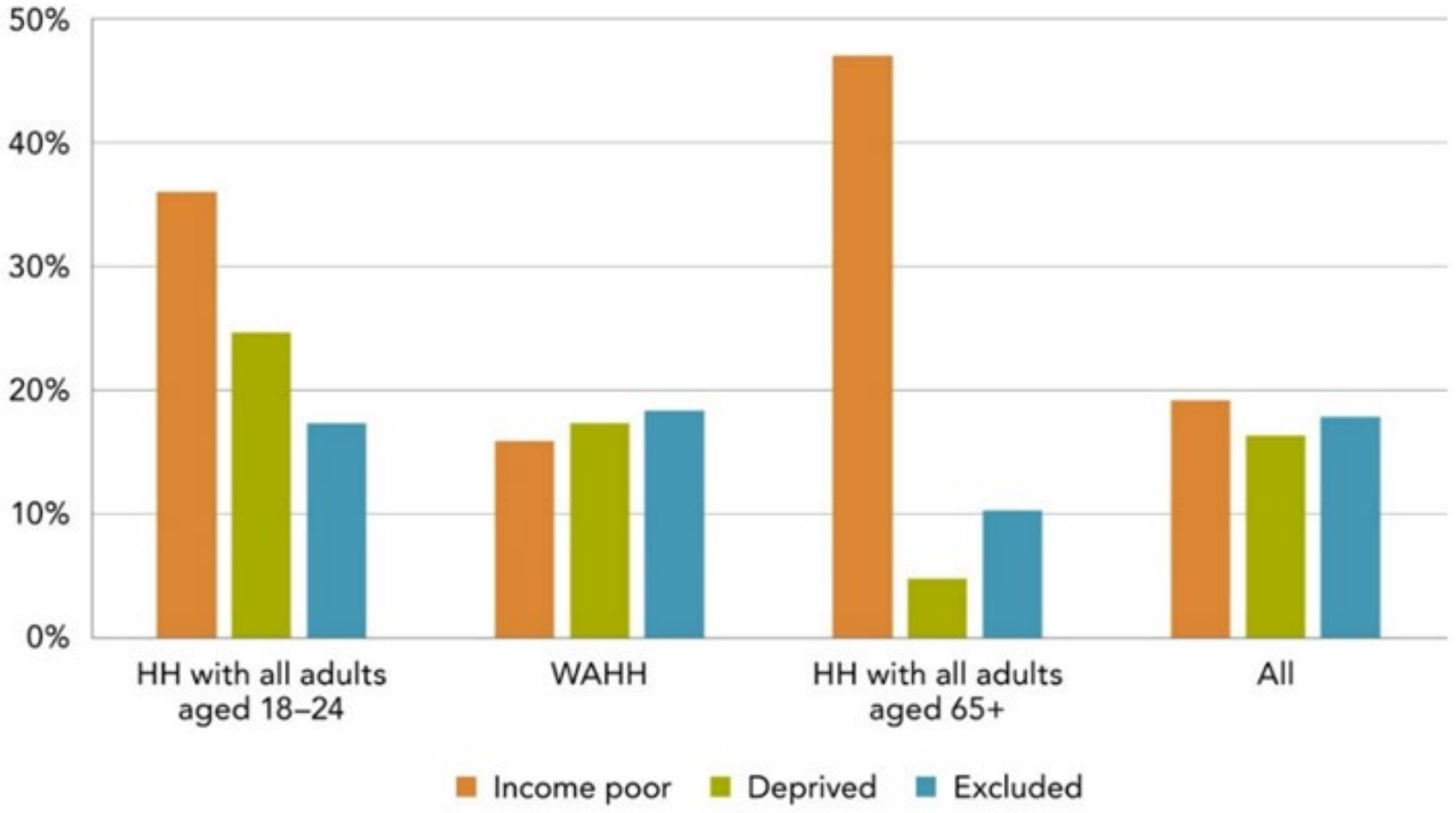
Group or characteristic (in 2013)	PD in at least one domain (%)
Sole parent	
All sole parents	**36**
No qualifications	68
Public renters	58
Jobless	66
Māori	
All Māori	**27**
No qualifications	72
Public Renters	62
Jobless	70
Pacific	
All Pacific	**46**
No qualifications	69
Public Renters	68
Jobless	69

Ethnicity doesn't fully explain why some groups experience persistent disadvantage

The Pacific population differs from the average New Zealand population

Characteristic	Comparator	Pacific people	Comparator group
Aged 0-29 years	All NZ population	61	40
Lived in Auckland	European WAHH	64	26
Lived in household of 4+ people	All NZ population	53	19
Lived in crowded households	All NZ population	40	10
Lived in two family households	All NZ population	20	3
Public renters	European WAHH	25	3

Young & old HH had different experiences



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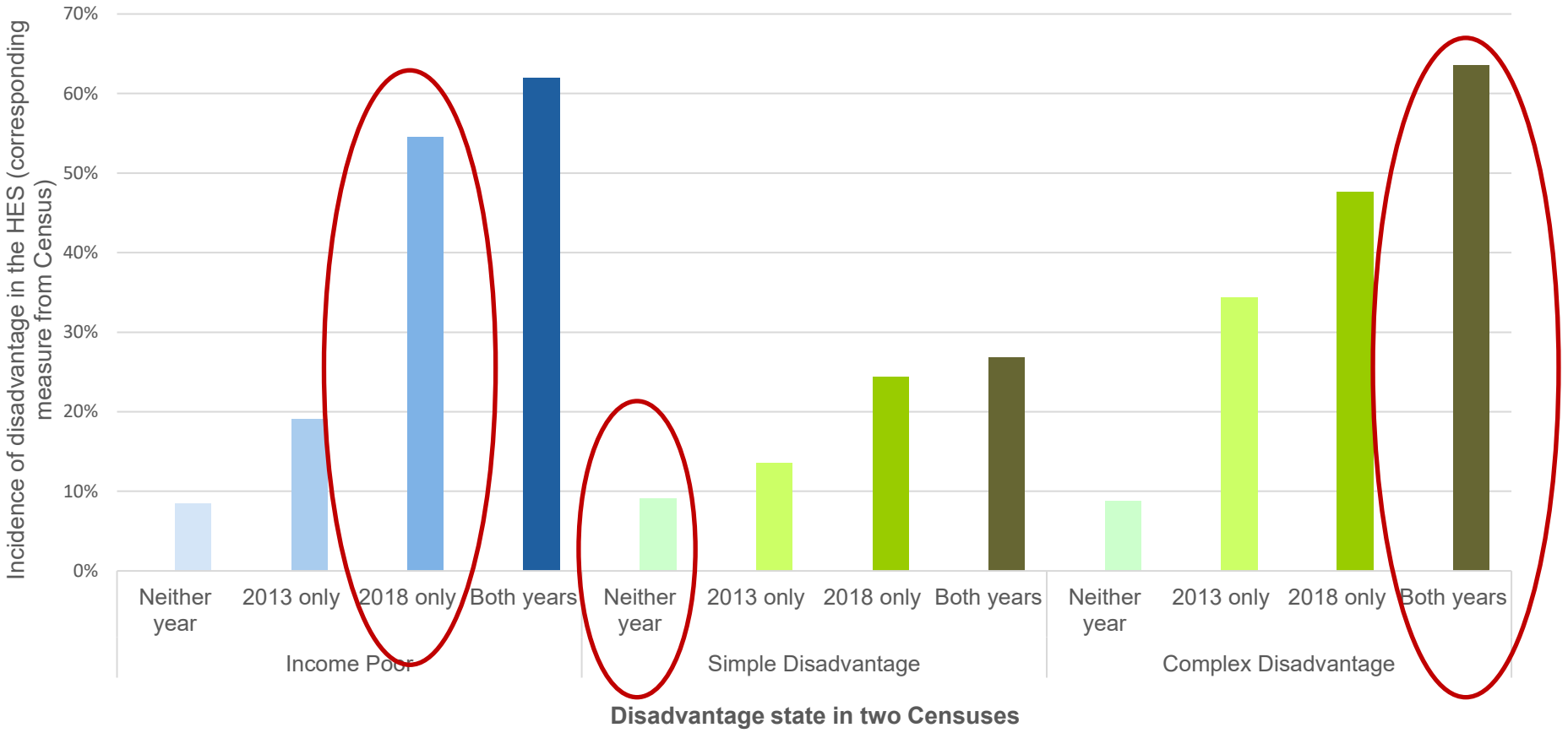
ENTERING AND EXITING DISADVANTAGE

Time and complexity affect people's experience of recurring disadvantage



Entering simple disadvantage is easier than exiting complex disadvantage

Measure	Individuals in WAHH in 2013 experiencing measure (%)	Entry: No D in 2013 to D in 2018 (%)	Exit: D in 2013 to no D in 2018 (%)
	(1)	(2)	(3)
No disadvantage	68.4	--	--
Not income poor	83.8	--	--
Income poor	16.2	9.7	54.7
Simple D (1 domain only)	25.5	13.3	58.5
Complex D (2 or 3 domains)	12.2	2.7	26.6

Characteristics affecting entering & exiting disadvantage

People living in …	Compared with …	Likely to ENTER (↑,↓,=)	Likely to EXIT (↑,↓,=)
Any qualification in HH	No qualification in HH	↓	↑
HH with 1 or more adults aged 25-44	Other age groups	↓	↑
HH with 1 or more adults aged 55+	Other age groups	↑	↓
Māori or Pacific HH	European, Asian, or all WAHH	↑	↓
Disabled HH	All WAHH	↑	↓
Sole parent or multiple family HH	Couple only or all WAHH	↑	=
Public renters	Owners or all WAHH	↑	↓

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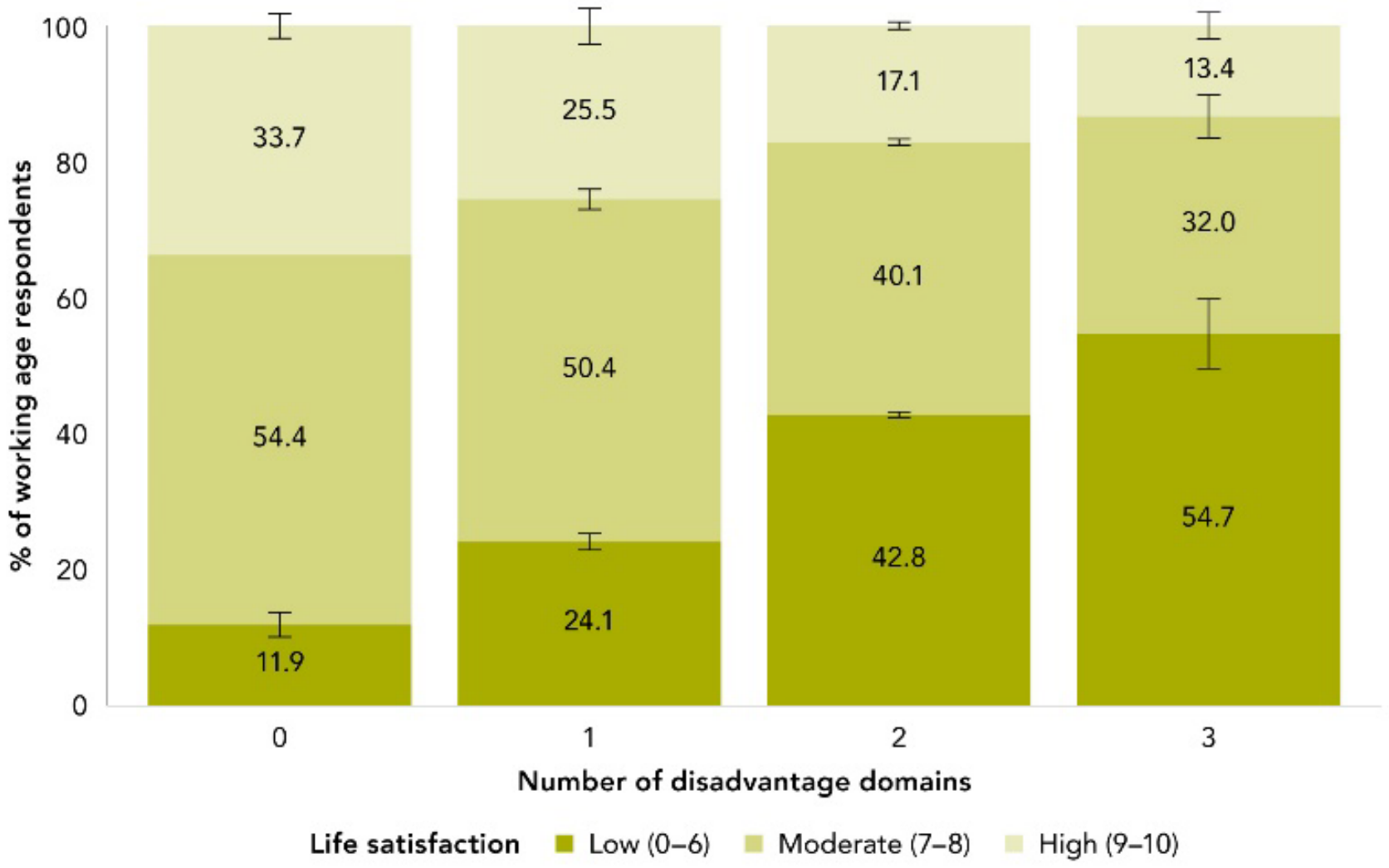
ASSOCIATION OF LIFE SATISFACTION AND TRUST

Life satisfaction decreased with any experience of disadvantage



Life satisfaction further declined with experience of persistent disadvantage

Disadvantage based on two Censuses		Mean life satisfaction (in HES)
		All respondents in WAHH
	Never in D or PD	4.19
Income poor		
	One year (out of three)	3.87
	Two years (out of three)	3.61
	Three years	3.57
Deprived		
	One year	3.85
	Both years	3.71
Excluded		
	One year	3.84
	Both years	3.63
By type of persistent disadvantage		
	Never experiencing PD	4.10
	Simple PD	3.75
	Complex PD	3.46

Being in disadvantage is associated with distrust

Further data investment and research

- More data investment is needed to measure and understand wellbeing and disadvantage over the life course and between generations
- Prioritise work programmes that capture community-level data
- More research into how to support people experiencing persistent disadvantage, including why they enter and exit
- Consider using wellbeing year (WELLBY) values for policy and programme development and assessment

Disproportionality is clearly crucial to address, but we must not forget that every human being who experiences persistent disadvantage is a tragedy and that a large number of those human beings come from the dominant ethnic group. While addressing disproportionality, we must also address all persistent disadvantage.

(David King, sub. DR155)

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Questions?