Auckland Regional Household Labour Force Survey: Quarterly Overview – June 2021

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Research and Evaluation Unit (RIMU)

Auckland Council

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Table of contents

1.	Introduction	1
2.	Overview and highlights	2
3.	Labour force status and unemployment rate by age	4
4	Labour force status and unemployment rate by gender	5
5	Labour force status and unemployment rate by ethnic group	6
6	Employment by occupation	7
7	Employment by industry	8
8	Youth not in employment, education or training	9
Арр	endix: Definitions and technical notes	10

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 and March 2021 quarters included longer lockdowns.

Note also that Stats NZ revise the backdata slightly each quarter to match ongoing population revisions arising from latest migration estimates.

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: <u>www.stats.govt.nz</u>
- Further labour market analysis is available from MBIE: <u>https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/</u>
- Additional Auckland HLFS data is available on request from the author: <u>Ross.Wilson@aucklandcouncil.govt.nz</u>
- Auckland Economic Update (monthly) an overview of key economic trends in Auckland, prepared by the author, is available on the Knowledge Auckland website. <u>https://knowledgeauckland.org.nz/publications/auckland-economic-update-november-2020/</u>
- 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-e6b7-47c8bb8d-1a669c547cf0/August_2020_AEQ.pdf

2. Overview and highlights

For the quarter ended June 2021, compared to the preceding quarter (not seasonally adjusted):

- Auckland's unemployment rate fell to 4.1%, similar¹ to June 2018, 2019 and 2020.
- Persons unemployed (40,000) fell by 12,200 since March 2021 (52,200).
- Total jobless (69,700) fell by even more (-20,700), relative to the preceding quarter.
- Persons employed (945,700) grew correspondingly (+17,600).
- NILF (not "actively" seeking work) was similar (400,200) to March (402,500).
- The labour force participation rate (71.1%), was likewise similar to March (70.9%).
- Weekly hours worked was steady at 37.8 (average including full and part-timers).
- The NEET (not in employment, education or training) rate for youth aged 15-24 fell to 11.3%, similar to June 2017, 2018 and 2019 and to Rest of New Zealand (10.6%)

Over the year ended June 2021:

- The unemployment rate overall averaged 5.1% in the year ended June 2021, significantly above a year prior (4.3%), and same as the year ended March 2021 (5.1%), but still lower than the post-GFC annual rates in 2009 to 2015 (5.8% to 7.3%).
- The unemployment rate among those aged 15 to 19 averaged 19.3%, higher than 16.3% a year prior, but lower than 2009 to June 2018, including 31.0% in 2011.
- The unemployment rate for females of all ages averaged 5.5%, higher than 4.7% a year prior. Similarly, the unemployment rate for males averaged 4.8%, higher than 3.8% a year prior, so the gap between males and females (0.7%) fell slightly; it has narrowed significantly since its peak in the year ended June 2015 (2.5%).
- Unemployment rates among Pacific people (9.2%) were 1.7% higher than the year before (7.5%), while there were 0.8%-1.0% rises for Māori (8.6% from 7.6%), European (3.9% from 3.1%) and Asian (5.2% from 4.3% to 5.2%) ethnic groups.
- The labour force participation rate overall averaged 70.4%, unchanged from the year before (70.4%).
- The labour force participation rate for males (76.2%) was slightly above a year prior (75.6%); females (64.7%) fell slightly from 65.5% (still above the 57.3% of 1995).
- Labour force participation rates fell slightly from a year prior for ages 55+ (48.9% from 49.9%), and had minimal change for all other age groups.
- Labour force participation rates were similar to a year prior for European (71.6%), Māori (66.0%) and Pacific (62.5%) ethnicities, but Asian (73.7%) rose slightly (from 72.1%). All groups have generally fallen since 2017/2018, except Asian.

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

	Quarter end Mar 2021 (snapshot)	Quarter end Jun 2021 (snapshot)	Year end Jun 2020 (annual average)	Year end Jun 2021 (annual average)
Number employed	928.1	945.7	916.8	922.9
Number unemployed	52.2	40.0	40.8	49.4
Number not in the labour force	402.5	400.2	401.9	409.1
Number in the working age population	1382.9	1385.9	1359.5	1381.4
Labour force participation rate (%)	70.9	71.1	70.4	70.4
Unemployment rate (%)	5.3	4.1	4.3	5.1

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 June 2020	Year end June 2021	
Total	4.3	5.1	
15-19 years	16.3	19.3	
20-24 years	9.7	10.1	
25-39 years	3.6	4.5	
40-54 years	2.9	3.6	
55 years +	2.1	2.9	
Female	4.7	5.5	
Male	3.8	4.8	
European	3.1	3.9	
Māori	7.6	8.6	
Pacific	7.5	9.2	
Asian	4.3	5.2	

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

	Year end June 2020	Year end June 2021		
Total	70.4	70.4		
15-19 years	39.6	39.3		
20-24 years	76.6	77.2		
25-39 years	85.8	85.1		
40-54 years	86.9	86.8		
55 years +	49.9	48.9		
Female	65.5	64.7		
Male	75.6	76.2		
European	72.1	71.6		
Māori	66.6	66.0		
Pacific	62.8	62.5		
Asian	72.1	73.7		

Note: During the lockdowns of 2020 and 2021, 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 sometimes a substantial reduction in survey response rates, which may introduce bias.

3. Labour force status and unemployment rate by age

For the year ended June 2021, labour force status for the various age groups was as shown in Table 4. Unemployment rates since 1995 were as shown in Figure 1.

	Total	15 to 19 years	20 to 24 years	25 to 39 years	40 to 54 years	55 years and over
Number employed	922.9	34.8	85.8	316.1	290.9	195.4
Number unemployed	49.4	8.3	9.6	14.9	10.8	5.8
Number not in the labour force	409.1	66.5	28.3	58.1	45.8	210.5
Number in the working age popn	1381.4	109.6	123.7	389.1	347.5	411.6
Labour force participation rate (%)	70.4	39.3	77.2	85.1	86.8	48.9
Unemployment rate (%)	5.1	19.3	10.1	4.5	3.6	2.9

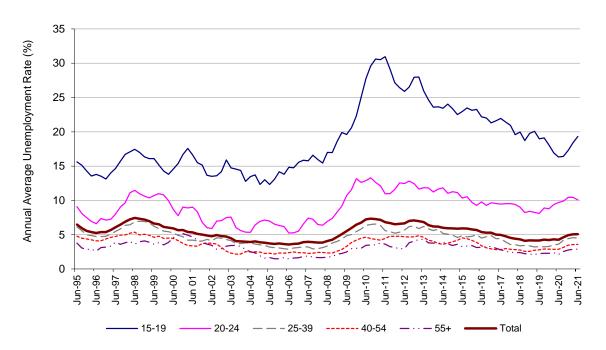
 Table 4: Labour force status by age group, year ended June 2021 (annual averages)

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

The annual average unemployment rates for the year ended June 2021 were similar to the year ended March 2021, but a bit higher than a year ago (and similar to 2017), for all age groups (relative to error ranges). The unemployment rate continued to vary based on age: highest for 15- to 19-year olds (19.3%), down to lowest for ages 55 years and over (2.9%).

Labour force participation rates (70.4%) vary from ages 15-19 (39.3%), to ages 40-54 (86.8%), but with no significant changes for any age group in recent years; longer term, for ages 55+ (48.9%), 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%).





4. Labour force status and unemployment rate by gender

For the year ended June 2021, labour force status for males and females was as shown in Table 5. Unemployment rates since 1995 were as shown in Figure 2.

Table 5: Labour force status by gender, year ended June 2021 (annual averages)					
	Total	Male	Female		
Number employed	922.9	493.4	429.5		
Number unemployed	49.4	24.6	24.8		
Number not in the labour force	409.1	161.4	247.8		
Number in the working age popn	1381.4	679.4	702.0		
Labour force participation rate (%)	70.4	76.2	64.7		
Unemployment rate (%)	5.1	4.8	5.5		

Table 5: Labour force status by gender, year ended June 2021 (annual averages)

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 2021 remained slightly higher for females (5.5%) than males (4.8%). The gender gap (0.7%) remains "significant", but has not been widening: it is currently similar to most of the last ten years, and narrower than 2013-2015 – when it peaked at 2.5% (June 2015).

The labour force participation rate (LFPR) for females (64.7%) has been falling recently from record highs, and remained significantly lower than for males (76.2% and fairly stable). The LFPR gender gap (11.7%) has been rising since the record low of December 2019 (9.0%), but longer term it is a third lower than 1995 (19.0%), due to the male LFPR remaining largely unchanged over that period while the female LFPR rose (from 57.3%).

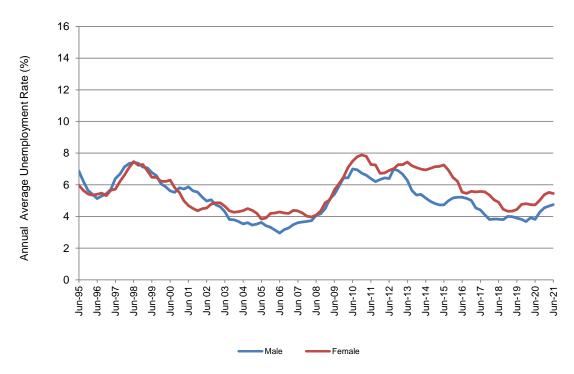


Figure 2 Unemployment rate by gender (rolling annual average), 1995-2021

5. Labour force status and unemployment rate by ethnic group

For the year ended June 2021, labour force status for the four main ethnic groups was as shown in Table 6. Unemployment rates since 1995 were as shown in Figure 3.

average)	Total	European	Māori	Pacific	Asian		
Number employed	922.9	508.4	81.6	106.7	273.9		
Number unemployed	49.4	20.4	7.7	10.8	15.1		
Number not in the labour force	409.1	210.2	45.9	70.4	103.4		
Number in the working age popn	1,381.4	739.0	135.1	187.9	392.3		
Labour force participation rate (%	70.4	71.6	66.0	62.5	73.7		
Unemployment rate (%)	5.1	3.9	8.6	9.2	5.2		

 Table 6: Labour force status by ethnic group, year ended June 2021 (annual

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 2021 were higher than a year ago for Europeans, Asians and Pacific peoples, but broadly similar to the last three years for Māori (allowing for sample error ranges). However, all groups were much lower (better) than 2010-2016. The unemployment rate continued to vary substantially between ethnic groups: lowest for Europeans (3.9%), higher for Asians (5.2%), and highest for Māori (8.6%) and Pacific peoples (9.2%).

Labour force participation rates (70.4%) varied by ethnicity, from Pacific (62.5%) and Māori (66.0%) to European (71.6%) and Asian (73.7% - up from 72.1% a year earlier and 65.1% in 2013). All groups have generally fallen since 2017/2018, except Asian (generally rising).

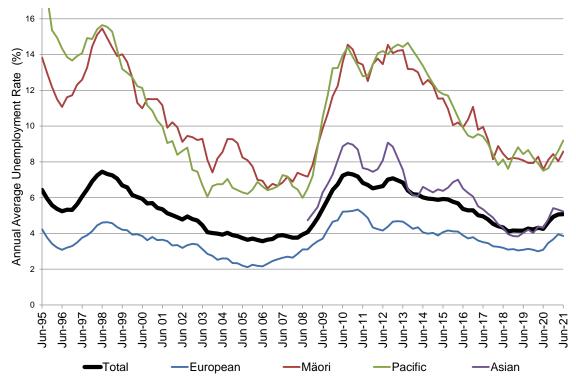


Figure 3: Unemployment rate by ethnic group (rolling annual average), 1995-2021

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

6. Employment by occupation

In the June 2021 quarter, Auckland's largest occupational categories were Professionals (25.3% of Auckland's total employment), and Managers (23.9%), followed by Technicians and Trades Workers (10.5%) and Clerical and Administrative Workers (10.4%).

Between the March 2021 and June 2021 quarters, there were above-average increases in the numbers employed in the following occupations:

- Managers (+16,400, a rise of 7.8%% yielding a 1.3 percentage point increase in their share)
- Professionals (+8,000, a rise of 3.5% yielding a 0.4 percentage point increase in their share)
- Community and Personal Service Workers (+4,300, a rise of 5.7% yielding a 0.3 percentage point increase in their share).
- Labourers (+3,500, a rise of 6.0% yielding a 0.2 percentage point increase in their share).

All other occupations had small or no increases in the numbers employed between the March 2021 and June 2021 quarters, so their shares were largely unchanged or fell slightly²; there were no occupations with a decrease in the numbers employed.

In addition, between the March 2021 and June 2021 quarters, there were notable changes in part-time employment in the following occupations:

- Community and Personal Service Workers (+3,300, a rise of 11.0% yielding a 2.1 percentage point increase in the proportion that are part-timers)
- Professionals (+4,900, a rise of 15.3% yielding a 1.7 percentage point increase in the proportion that are part-timers, but mostly just reversing a previous fall).

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

Occupation (ANZSCO 1-digit)	March 2021 quarter	June 2021 quarter	March 2021 quarter	June 2021 quarter
	Nun	nber	Sha	re (%)
Managers	209.6	226.0	22.6	23.9
Professionals	231.2	239.2	24.9	25.3
Technicians and Trades Workers	96.7	99.1	10.4	10.5
Community and Personal Service Workers	75.3	79.6	8.1	8.4
Clerical and Administrative Workers	95.5	98.5	10.3	10.4
Sales Workers	79.5	79.8	8.6	8.4
Machinery Operators and Drivers	55.4	55.3	6.0	5.8
Labourers	58.4	61.9	6.3	6.5
Total	928.1	945.7	100.0	100.0

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

² In June 2021 "not elsewhere included" fell, which tended to slightly boost all occupations' shares.

7. Employment by industry

In the June 2021 quarter, the largest sectors in terms of employment were Construction (96,600 people; 10.2% of total employment), Professional, Scientific and Technical Services (97,200 people; 10.3% of total employment) and Health Care and Social Assistance (94,600 people; 10.0% of total employment)

Between the March 2021 and June 2021 quarters, there were significant increases in the number of people employed in:

- Wholesale Trade (+8,500, a rise of 14.2%)
- Manufacturing (+7,800, a rise of 9.6%)

There were also probable increases, but below the survey significance threshold (so possibly no change at all), for Rental Hiring and Real Estate Services (+3,400, a rise of 20.1%) and Accommodation and Food Services (+3,300, a rise of 6.7%).

(In addition, employment was significantly higher in the June 2021 quarter than a year earlier (June 2020) for Public Administration and Safety (+6,900, an 18.6% rise).)

Between the March 2021 and June 2021 quarters, there were no significant decreases in the number of people employed in any industries. However, there have been falls since the same quarter pre-Covid (June 2019) for Administrative and Support Services (-7,900 a 20% fall) and Professional, Scientific and Technical Services (-13,700 a 12% fall).

Industry (ANZSIC06)	March 2021 quarter	June 2021 quarter	March 2021 quarter	June 2021 quarter
	Nur	nber	Shar	e (%)
AB Primary Industries	8.6	8.1	0.9	0.9
C Manufacturing	80.4	88.2	8.7	9.3
D Electricity Gas Water and Waste Services	7.3	7.4	0.8	0.8
E Construction	98.7	96.6	10.6	10.2
F Wholesale Trade	39.2	47.7	4.2	5.0
G Retail Trade	84.3	83.5	9.1	8.8
H Accommodation and Food Services	49.6	52.9	5.3	5.6
I Transport Postal and Warehousing	48.7	46.6	5.2	4.9
J Information Media and Telecommunications	20.9	19.8	2.3	2.1
K Financial and Insurance Services	41.8	42.7	4.5	4.5
L Rental Hiring and Real Estate Services	22.2	25.6	2.4	2.7
M Professional, Scientific and Technical Services	98.4	97.2	10.6	10.3
N Administrative and Support Services	33.8	31.2	3.6	3.3
O Public Administration and Safety	44.1	44.0	4.8	4.7
P Education and Training	74.2	78.1	8.0	8.3
Q Health Care and Social Assistance	90.3	94.6	9.7	10.0
R Arts and Recreation Services	23.2	20.6	2.5	2.2
S Other Services	37.5	37.8	4.0	4.0
Total	928.1	945.7	100.0	100.0

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

Notes: Numbers are '000s, rounded to nearest hundred. Total includes "Not elsewhere included". Data is based on re-revised population estimates. Also, from December 2020 onwards, industry sectors for this report were unbundled to ANZSIC 1 digit (including back-data).

8. Youth not in employment, education or training

For the quarter ended June 2021, the overall percentage of young people (aged 15-24) who were not in employment, education or training (NEET) in Auckland (11.3%) was similar to the New Zealand average (10.8%) over the same period. Note that quarterly NEET rates are typically subject to substantial seasonal effects. For the year ended June 2021, the annual average NEET rate for Auckland (13.8%) was slightly above the New Zealand average (12.5%) 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%).

Local board area	Population Age 15-24(000)	Quarterly NEET (000)	Quarterly NEET rate (%)	Annual average NEET Rate (%)
Rodney	8.3	S	S	S
Hibiscus and Bays	19.1	1.8	9.4	9.7
Upper Harbour	8.1	S	S	20.0
Kaipatiki	11.3	1.3	11.9	17.6
Devonport-Takapuna	7.4	S	S	11.0
Henderson-Massey[W]	15.5	2.1	13.4	15.0
Waitākere Ranges [W]	6.4	S	S	14.8
Waiheke	S	S	S	S
Waitematā	12.2	1.5	11.9	13.4
Whau [W]	10.3	S	S	19.0
Albert-Eden	18.1	1.7	9.6	9.8
Puketāpapa	6.8	S	S	17.7
Ōrākei	10.3	S	S	10.0
Maungakiekie-Tāmaki	13.2	1.7	12.7	16.0
Howick	18.8	1.0	5.5	9.8
Māngere-Ōtāhuhu [*]	12.7	1.6	12.7	18.7
Ōtara-Papatoetoe [*]	19.4	4.1	21.1	19.7
Manurewa [*]	16.6	2.7	16.2	21.1
Papakura [*]	10.8	2.1	19.5	22.0
Franklin	12.2	1.0	8.2	10.4
Southern Initiative [*]	59.6	10.5	17.7	20.3
Rest of Auckland [*]	178.0	16.4	9.2	11.6
Western Initiative [W]	32.2	3.7	11.5	15.0
Auckland total	237.7	26.9	11.3	13.8
Rest of New Zealand	410.2	43.3	10.6	11.8
Total New Zealand	647.9	70.2	10.8	12.5

Table 9: NEET rates by local board area – quarter and year ended June 2021

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-Õtāhuhu, Õtara-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).

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: In order to ensure information is seasonally aligned, rolling annual averages are used throughout most of this report for reporting across time. Remaining quarterly data in this report will be subject to seasonality (and may differ from some of the HLFS headline numbers published by Stats NZ that are 'seasonally adjusted').

Revisions: The survey and some back-data was re-revised by Stats NZ in October 2020 and again in January 2021 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-forcesurvey.aspx

HLFS sources and methods: 2016

June 2016 questionnaire changes:

http://archive.stats.govt.nz/browse_for_stats/income-andwork/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