

INCOME

What is this?

Income relates to the money that is available to individual and households via sources such as (but not limited to) salary and wages, investments and shares, and government benefits.

Why is it important?

If a person or family has access to adequate income, their wellbeing is considerably enhanced. Income enables people to meet their basic needs and access material comforts and gives them options for how they live their lives. Households on low incomes may find it difficult to meet basic household needs and may not have the resources to cope with emergency or unanticipated expenses. Families on low incomes may be disadvantaged with respect to health and education and opportunities for employment, education, and for participating in society in general.^{1,2,3}

Low income is associated with poor outcomes in many related areas including such areas as employment, educational achievement, adequate housing, access to opportunities to participate in leisure and recreational activities, exposure to air pollution, nutrition, lower life expectancy, and chronic illness including mental illness. For children, the single most important determinant of health is income.⁴

Data

Average and median incomes for Canterbury have followed similar trends to nationwide totals over the last ten years with some fluctuation. Median weekly incomes in Canterbury were consistently lower than the rest of New Zealand until 2002.



¹ The Royal Australasian College of Physicians and Australasian Faculty of Environmental medicine. 2011. Australian and New Zealand consensus statement on the health benefits of work position statement: Realising the health benefits of Work.

<http://www.racp.edu.au/page/afocem-health-benefits-of-work>

² Waddell, G., and Burton, A. 2006. Is work good for your health and well-being: a report commissioned by the Dept of Work and Pensions (UK) on the scientific evidence on work and health and well-being.

³ NZ Welfare Working Group. Long term Benefit Dependency: The Issues, August 2010, <http://ips.ac.nz/WelfareWorkingGroup/Downloads/Options%20Paper/Welfare-Working-Group-Reducing-Long-Term-Benefit-Dependency-The-Options.pdf>

⁴ St John, S., Wynd, D. 2008. Left behind: how social and income inequalities damage New Zealand children. Auckland: Child Poverty Action Group. <http://www.cpag.org.nz/resources/publications/res1213939891.pdf> Accessed 19.10.10.

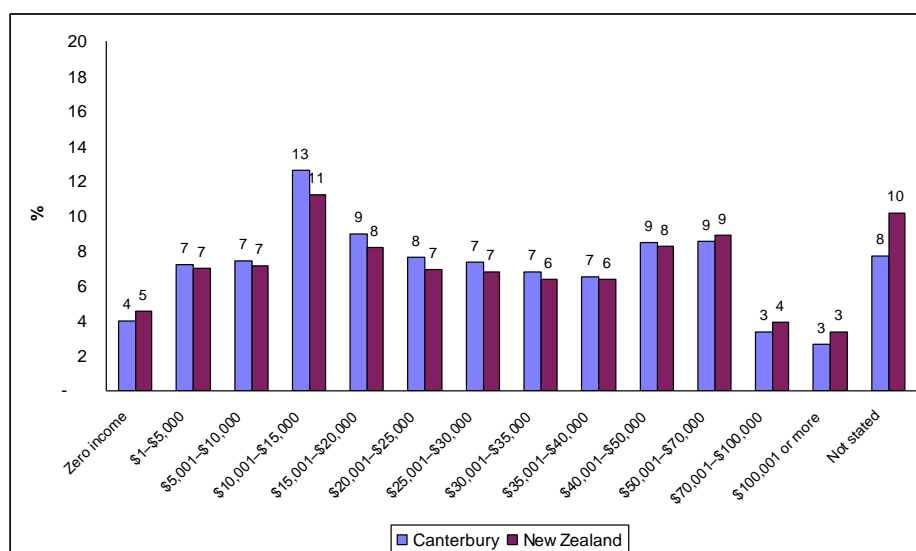
Table 1 Household weekly incomes, 1998 – 2010, Total NZ and Canterbury Region⁵

Year	Total All Regions		Canterbury Region	
	Average Income	Median Income	Average Income	Median Income
1998	914	761	794	701
1999	946	791	935	786
2000	953	796	904	765
2001	1017	852	940	835
2002	1108	918	1095	903
2003	1163	942	1141	963
2004	1192	978	1152	981
2005	1249	1034	1306	1084
2006	1312	1119	1365	1132
2007	1432	1190	1412	1211
2008	1480	1257	1494	1291
2009	1459	1234	1424	1269
2010	1484	1236	1459	1247

The annual median household income in Christchurch as of the 2006 census was \$48,200 compared to the national median annual household income of \$51,400, a difference of almost \$62 a week.

In contrast those living on a benefit receive, as at 1 April 2011, \$225.03 gross for a single person over 25 years on the unemployment or sickness benefit (\$375 for a couple with or without children). The domestic purposes benefit provides \$326.82 for a solo parent.⁶ This would equate to under \$17,000 per annum for someone on the domestic purposes benefit. It is noted that other grants may be available to increase this income slightly.

Figure 1 below, displays personal incomes for Canterbury residents compared to the national average, as at the 2006 census. The proportion of Christchurch residents earning annual incomes \$35,000 or less tends to be somewhat higher than the national average, while the proportion of Canterbury residents earning more than \$50,000 per year or more tends to be somewhat lower than the national average.

Figure 1 Personal Annual Income, Usually Resident Population Aged 15 Years & Over, Canterbury and New Zealand 2006 Census⁷

⁵ Created using Statistics New Zealand Table Builder. http://www.stats.govt.nz/tools_and_services/tools/tablebuilder.aspx

⁶ Work and Income, <http://www.workandincome.govt.nz/manuals-and-procedures/deskfile/index.htm> Accessed 08.08.11

⁷ Statistics New Zealand. 2006. Tables about Canterbury region.

<http://www.census.govt.nz/sitecore/content/statistics/Home/Census/2006CensusHomePage/Tables/AboutAPlace/SnapShot.aspx?type=region&ParentID=&tab=Income&id=1000013> Accessed 18.10.10.

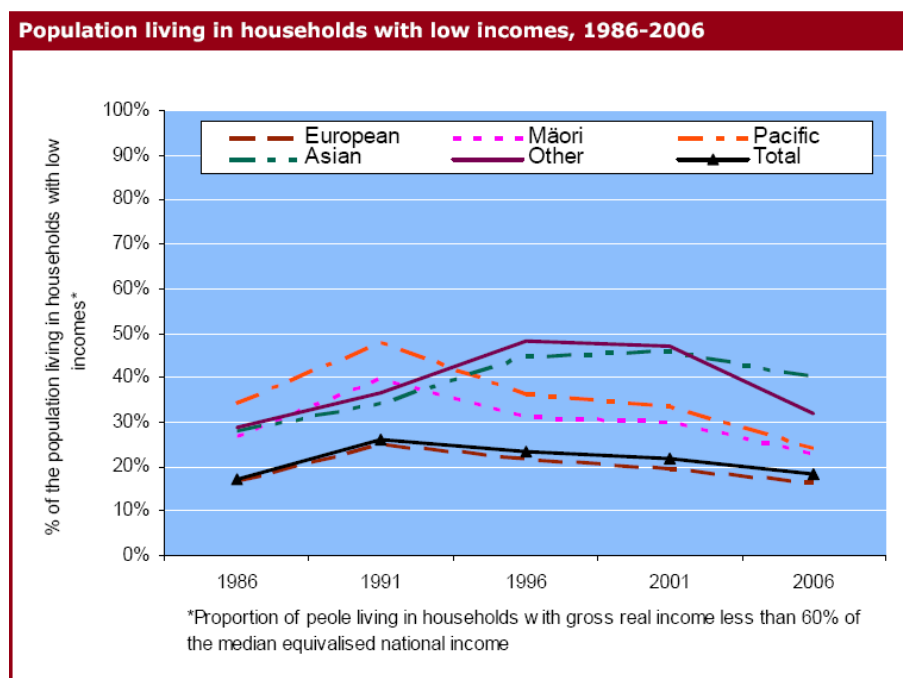
Table 2 below identifies the sources of household income for Christchurch residents. Some households will have more than one source of income hence the percentages add up to more than 100 percent. The data identifies that around 90 percent of Christchurch (and national) households received some income from employment (either waged/salaried or self-employed). Given this there are also over half that have at least part of their income from benefits, superannuation and/or student loans (52% in Christchurch and 50% nationally).

Table 2 Source of Household Income, Christchurch and New Zealand (2006)⁸

Source of Household Income	Christchurch City		New Zealand	
	Number	Percent	Number	Percent
Wages / Salary	91,638	68.5	975,012	67.1
Self Employed	27,795	20.8	354,087	24.4
Interest / Investment	44,037	32.9	464,805	32.0
ACC Regular Payments	4,035	3.0	41,019	2.8
New Zealand Superannuation	28,482	21.3	295,569	20.3
Other Super	7,269	5.4	69,147	4.8
Unemployment Benefit	4,932	3.7	69,498	4.8
Sickness Benefit	5,472	4.1	56,133	3.9
Domestic Purposes Benefit	7,125	5.3	86,214	5.9
Invalids Benefit	6,315	4.7	55,191	3.8
Student Allowance	5,910	4.4	49,788	3.4
Other Government Benefit	7,560	5.7	80,979	5.6
Other Sources	6,105	4.6	55,284	3.8
No Source	855	0.6	9,135	0.6
Not Stated	3,522	2.6	56,868	3.9
Total	133,743		1,454,106	

Figure 2

Proportion of Christchurch Households with Low Incomes, by Ethnicity⁹



⁸ Christchurch City Council. 2006. Demographic profile of Christchurch City. <http://resources.ccc.govt.nz/files/2006ChristchurchCity.xls> Accessed 18.10.10.

⁹ Christchurch City Council. 2007. Community outcomes monitoring: social-economic deprivation. http://resources.ccc.govt.nz/files/02_InclusiveAndDiverse_2088_HL_LowIncomes-inclusivediversecommunities.pdf Accessed 18.10.10.

Some population groups are much more likely to earn low incomes or to be part of a low-income household. Although economic conditions had been improving for all segments of the Christchurch population when the census was conducted in 2006, a marked discrepancy continued to be found in the proportion of non-European residents on low incomes compared to “European” residents, as shown in Figure 2 on the previous page.

Over the 20-year period between 1986 and 2006, the “European” ethnic group consistently had the lowest proportion of residents on low incomes compared to the other ethnic groups.

Impact on inequalities

As noted above for children, the single most important determinant of health is income. The Child Poverty Action Group states in a recent report that a child growing up in poverty is three times more likely to be sick than other children. Māori and Pasifika children are most at risk from insufficient income, substandard housing, inadequate nutritious food and unequal access to health care. Pasifika children have the highest rates of infant mortality and hospitalisation for preventable diseases.¹⁰ Children who live in poverty have no way of influencing their own outcomes (i.e. getting work or other income) the inequalities for them are substantial.

The topic of income inequality and health has been widely researched and while there is evidence of a relationship between income inequality and health it is not a simple one.¹¹ Low income can lead to poor health due to many environmental affects such as housing, access to resources etc. Poor health in itself can also lead to low income through job losses or needing to take on less work etc.^{12,13}

Those in work are more likely to participate in society and participation in itself is connected with better health outcomes and therefore the possibility of reducing inequalities.¹⁴

Solutions

The solutions for this area are beyond the scope of this document and require approaches at national, regional and local levels.

Data limitations

Data on income by ethnic or age group was limited to 2006 census data. As that data is five years old, it may no longer accurately reflect median incomes or proportional data such as proportion of households with gross incomes less than 60 per cent of the national median income.

Connections with other issues

Employment, Education, Housing Affordability, Fuel Poverty and Home Heating, Satisfaction with Leisure Time, Food Security.

¹⁰ St John, S., Wynd, D. 2008. Op cit.

¹¹ Kondo N, Sembajwe G, Kawachi I, van Dam R, Subramanian S, Yamagata Z. 2009. Income inequality, mortality, and self rated health: meta-analysis of multilevel studies. *BMJ* 339:b4471 <http://www.bmj.com/content/339/bmj.b4471.full>

¹² Judge k, Paterson I. 2001. Working Paper Poverty, Income Inequality and Health. Treasury, Wellington <http://www.treasury.govt.nz/publications/research-policy/wp/2001/01-29/twp01-29.pdf>

¹³ Children’s Social Health Monitor, New Zealand 2009 http://www.nzchildren.co.nz/documents/income_inequality.pdf

¹⁴ NZ Welfare Working Group. Op cit.

Impact of the earthquakes

As time passes and these papers are updated the initial sections on the impact of the earthquake are going to be kept as an archive. Updates are provided where possible.

As at November 2011

Many businesses have lost their premises in the CDB and this has had an effect on employment and income for some Christchurch residents. While there was some initial government support for businesses this was only for the first few months.

The recovery process may bring a boom period for some businesses but others may not survive. Incomes are likely to be affected by job losses but also various stressors impacting on people's ability to continue to work.

The latest figures from the Department of Statistics show Canterbury to have a lower unemployment rate than the rest of the country but that there are 12,300 less people in employment than for the same quarter last year. There is almost double the number of women unemployed that there was a year ago. It is believed these figures are affected by a number of people having left the region.¹⁵

Prepared by Community and Public Health.

¹⁵ Statistics Department, August 2011 http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/HouseholdLabourForceSurvey_HOTPJun11qtr.aspx