



**NEW ZEALAND POLICY
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Underutilisation in New Zealand:

An Underemployment Story



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DISCLAIMER

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/>.



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INTRODUCTION

The aim of this study is to understand the underemployed workforce in New Zealand.

Underemployment is a subset of underutilisation and is important when considering labour market productivity. On average, New Zealanders work about 15% longer than the OECD average to produce about 20% less output per person.



INTRODUCTION

This study compares characteristics of underemployed and fully utilised workers, examines how persistent experiences of underemployment are, and which individual, household, and work characteristics tend to increase the likelihood of being underemployment.



RESEARCH QUESTIONS

1. What are the characteristics of the underutilised workforce?
2. What is the transience of underutilisation?
3. What is the impact of COVID-19 on the underutilised?



DATA

Data was sourced from New Zealand's Household Labour Force Survey (HLFS) and comprises 21 quarters (2016 Q2 to 2021 Q2).

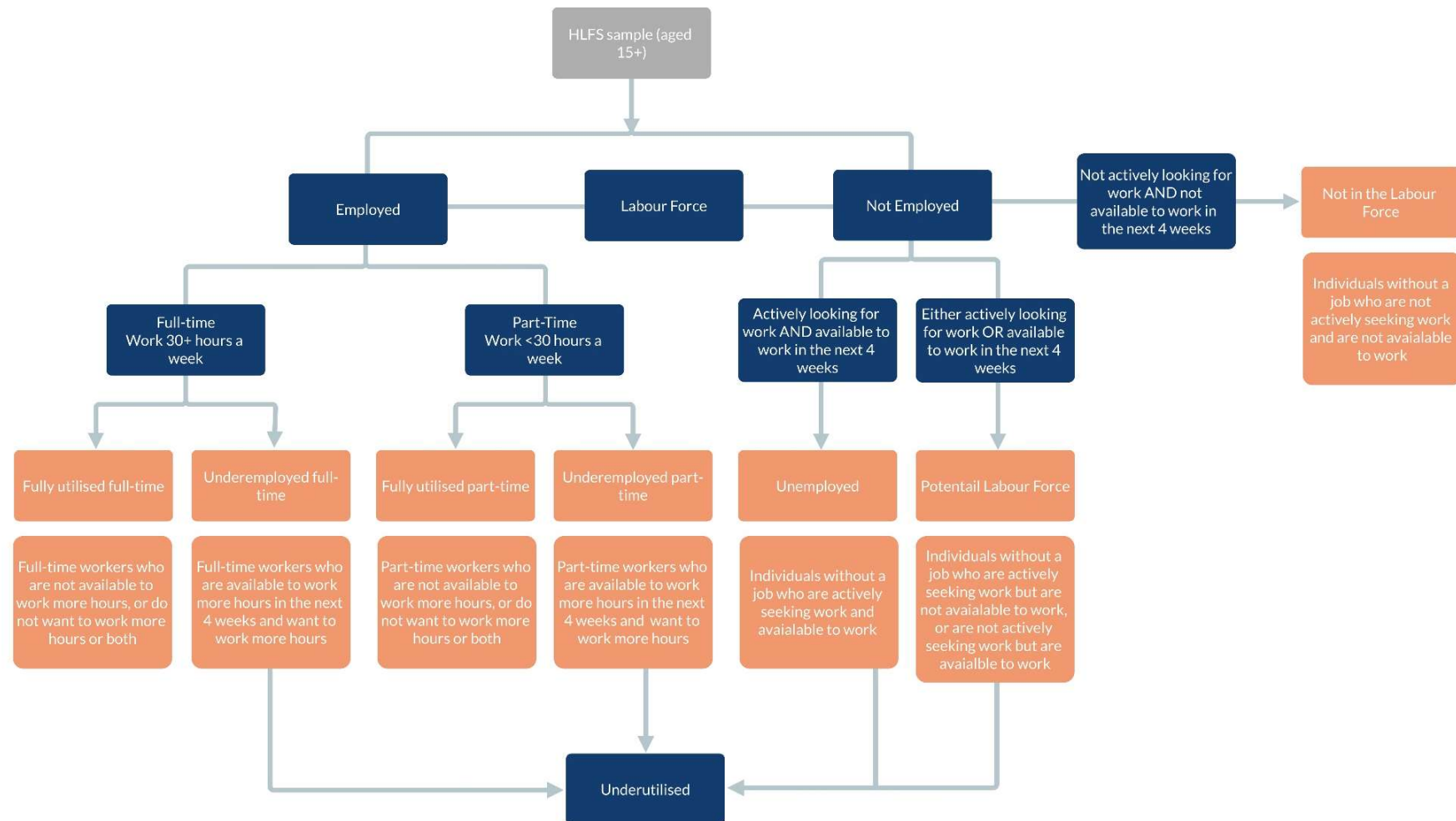
We further split the data into the pre COVID-19 period (2016 Q2 – 2019 Q4) and the COVID affected period (2020 Q1 – 2021 Q2).

The population of interest is all HLFS respondents ages 15+. Gross weekly personal income is adjusted for inflation using 2019 Q1 as the base period.



DATA

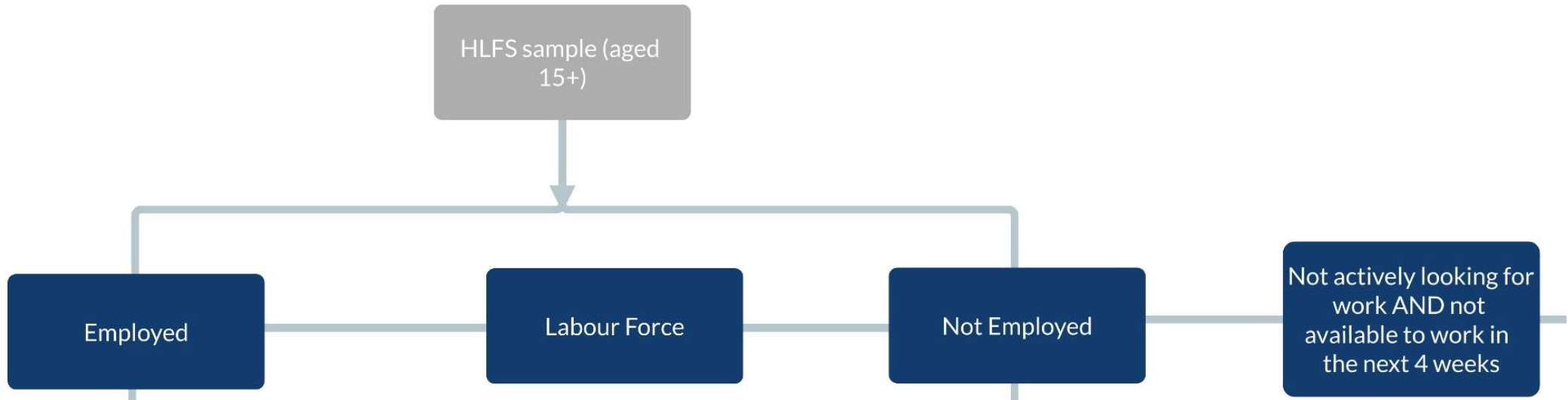
Who is underemployed?





DATA

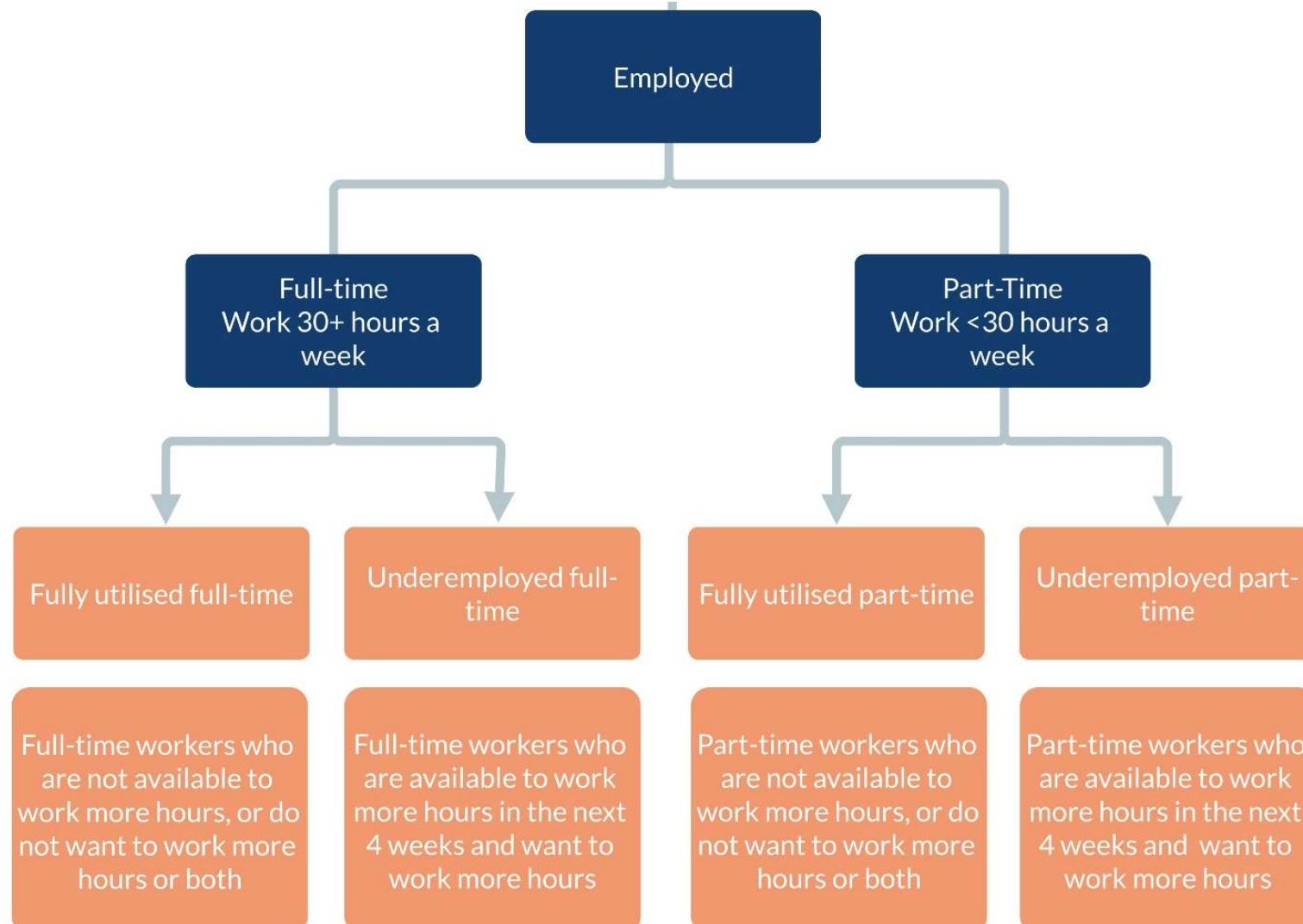
Who is underemployed?





DATA

Who is underemployed?





QUESTION 1

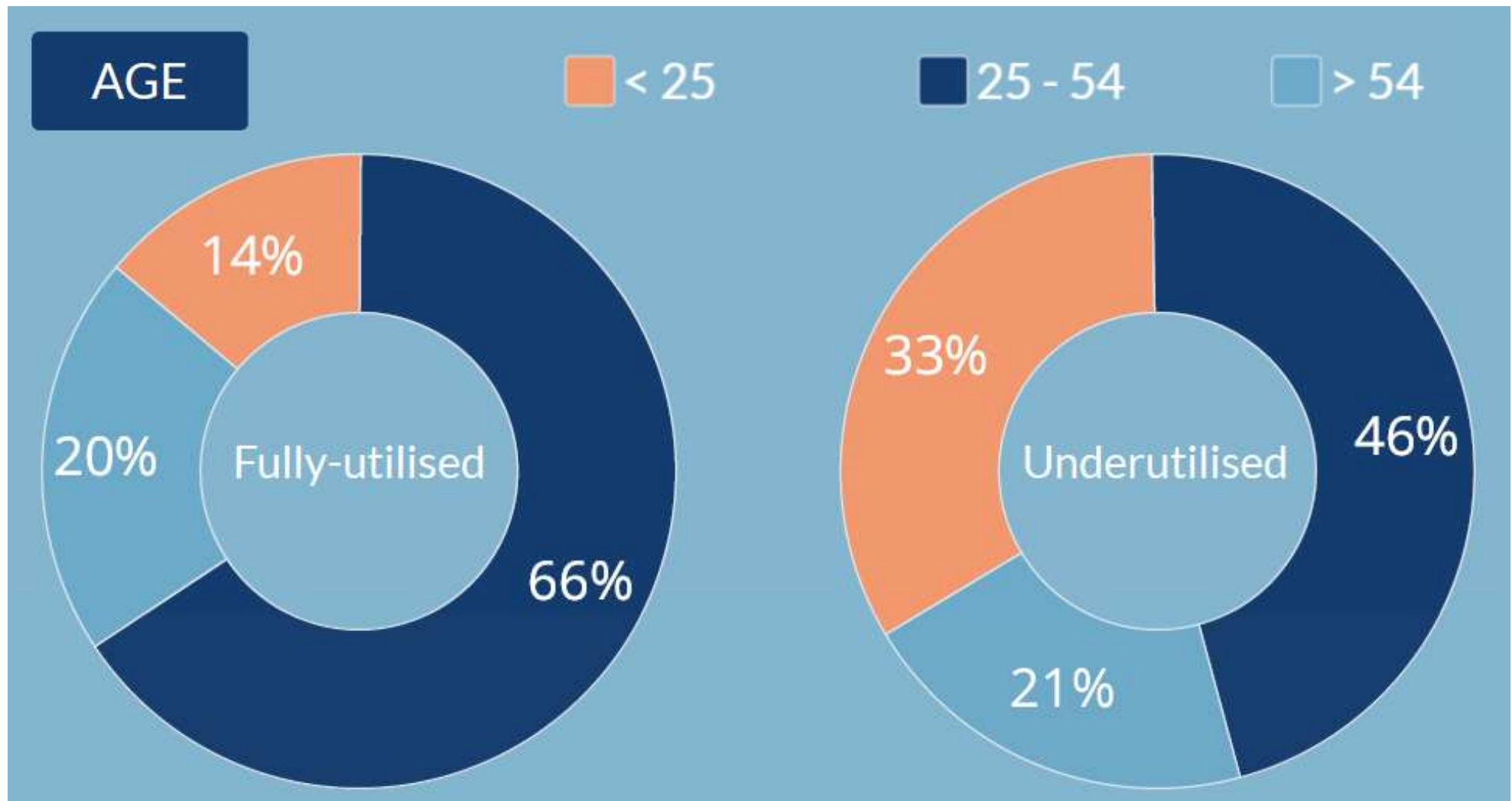
Who is underemployed?

Fully-utilised full-time	Underemployed full-time	Fully-utilised part-time	Underemployed part-time
POSTGRADUATE QUALIFICATIONS			
11.5%	6.1%	8.3%	6.9%
PERSONAL INCOME			
\$1313	\$884	\$567	\$407
WEEKLY HOURS			
41 hr	40 hr	16 hr	15 hr



QUESTION 1





Who is underemployed?





QUESTION 1

Why are they underemployed?

	Full-time		Part-time	
	MALE	FEMALE	MALE	FEMALE
 Child / family responsibilities	6%	10%	4%	14%
 Own sickness	1%	1%	4%	3%
 Studying	1%	2%	18%	11%
 Not enough work	66%	65%	59%	58%

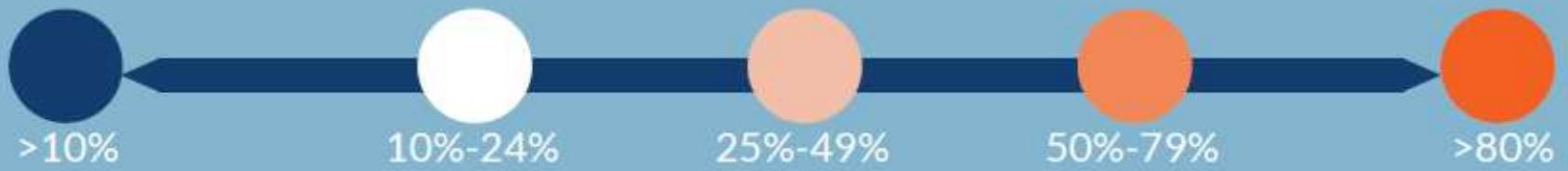
QUARTER t+1

%

Fully-utilised Full-time Part-time Underemployed Full-time Part-time Unemployed Potential labour force Not in the labour force

QUARTER t

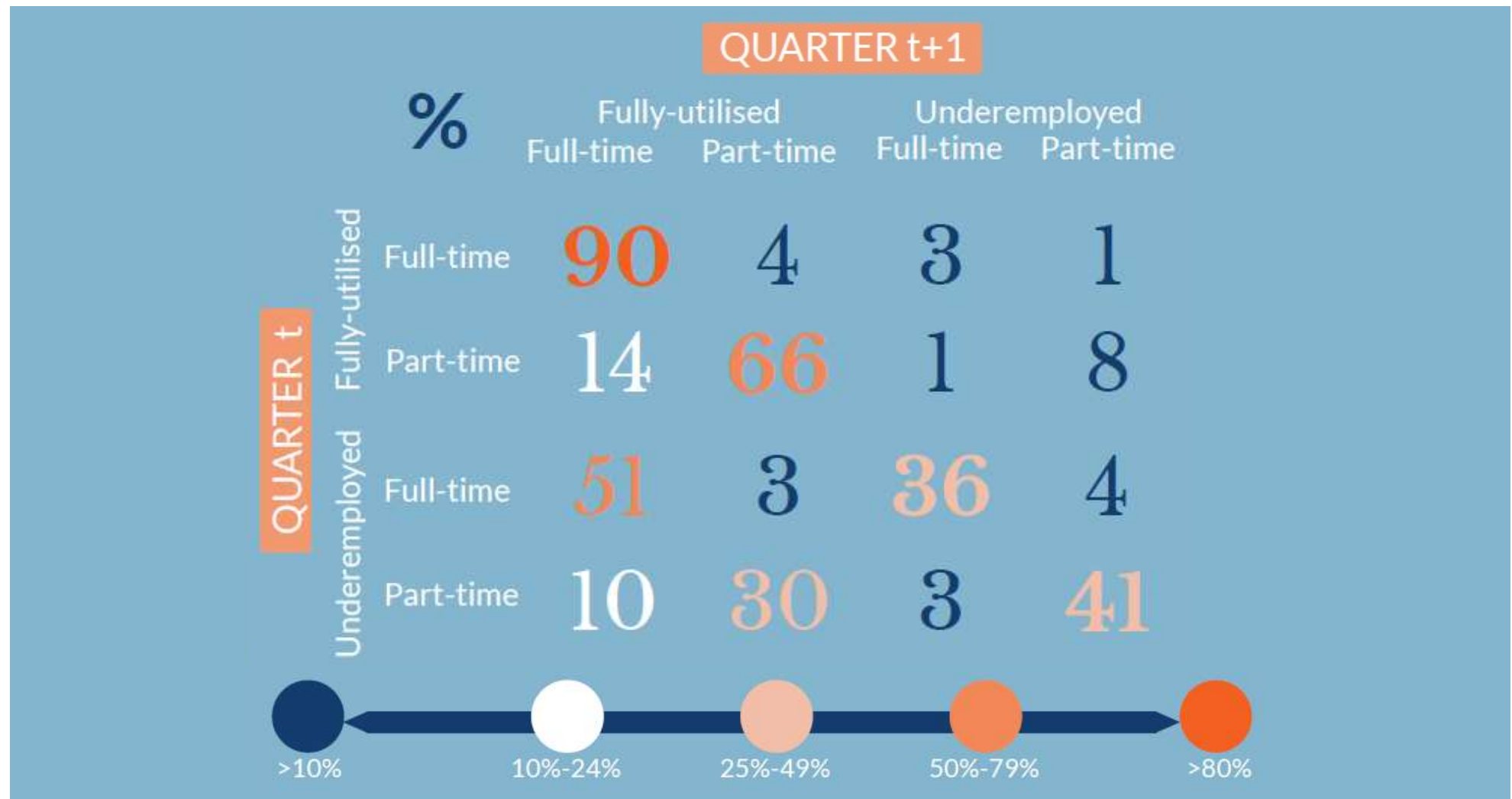
Fully-utilised	Full-time	90	4	3	1	1	0	1
	Part-time	14	66	1	8	2	2	7
Underemployed	Full-time	51	3	36	4	3	1	2
	Part-time	10	30	3	41	7	3	7
Unemployed		11	4	2	3	38	16	25
Potential labour force		7	6	1	3	17	26	41
Not in the labour force		2	3	0	1	2	4	89





QUESTION 2

Do they remain underemployed?





QUESTION 3

What was the impact of COVID-19?

There were minimal differences between the pre-COVID-19 and the COVID-affected periods.

It is worth highlighting that there was a decline in the share of those working as **paid employees**, and an increase in those **self-employed with no employees**, in the COVID-affected period.



CONCLUSION

This begs the question:

Is the issue underemployment, or low incomes?

When asked why they were underemployed, the majority of respondents said it was because there was not enough work available. However, it is important to note that the HLFS survey did not include "not enough income" as a potential answer.





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Thank you!



Questions?