Tracking wellbeing in Aotearoa New Zealand: Main benefits and family types

Findings report

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CAPITAL THINKING. GLOBALLY MINDED. MAI I TE IHO KI TE PAE

Awhi Rito

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Acknowledgement and Disclaimer

Acknowledgement: Stats NZ is the source for the data in the figures presented in this report.

<u>Disclaimer</u>: The results in this report 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 <u>https://www.stats.govt.nz/integrated-data/</u>.

Access to the anonymised survey 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 findings and conclusions expressed in this report are those of the authors, and not those of Stats NZ nor the Ministry of Social Development. The authors take full accountability for any errors or inaccuracies.

Tracking wellbeing: Project Context

The Families Package was introduced in 2018 and increased rates for several income support payments, as well as introducing new initiatives such as Best Start and the Winter Energy Payment. Since the introduction of this package, further changes have been made to the income support system as part of the government's focus on wellbeing, reducing child poverty, and in response to the COVID-19 pandemic. Notably, this included further increases to main benefits rates in 2020, 2021, and 2022.

The purpose of this project is to provide insight into how wellbeing is tracking for key groups in Aotearoa New Zealand that were likely to be more or less affected by these policy changes: people receiving main benefits and different family types. It does so by combining nationally-representative survey and administrative data from 2008 through 2020/21 to examine wellbeing indicators across multiple domains, including economic and socioemotional wellbeing and access to healthy housing.

This work was commissioned by the Ministry of Social Development (MSD) as part of the Families Package evaluation work programme. This work programme aims to measure the impact the suite of Families Package initiatives, primarily delivered through MSD and Inland Revenue, have had—and are having—on the economic and social wellbeing of New Zealanders.

Several government ministries have undertaken initiatives to track wellbeing in ways that align with the policy advice they provide government. Examples of these initiatives include:

- <u>The Treasury's Living Standards Dashboard</u>
- <u>Statistics NZ's Indicators Aotearoa</u>
- Ministry of Health's Annual Data Explorer

Importantly, these existing resources also support sub-group analysis by ethnic group. These approaches, however, do not support sub-group analysis that are most important for MSD's income support policy advice. In particular:

- Family type groups that match the family types used to assess entitlement for income support; and,
- Those who are supported by main benefits.

Thus, the purpose of this project is to fill these gaps, providing insight into how wellbeing is tracking for key groups targeted by recent income support policy changes, and how trends for these groups compare with those for others less affected by these reforms. In turn, these insights can be used by MSD and other service providers to support policy and operational design in ways that can address low levels of, and inequities in, specific wellbeing domains.

This report: Main benefits and family types

This report is part of a five-part series which focuses on tracking wellbeing among families and those who receive main benefits from MSD in Aotearoa New Zealand. This report presents trends in wellbeing from 2008 through 2020/21 among those who did and did not receive a main benefit in the past 12 months across different family types.

An executive summary highlighting the key findings and implications across all reports can be found here: <u>Tracking wellbeing in Aotearoa</u> <u>New Zealand: Project overview and key findings</u>

The three other reports as part of the series are:

- <u>Tracking wellbeing in Aotearoa New Zealand: Those who receive main benefits</u>: This findings report focuses on trends in wellbeing among those who received a main benefit in the past 12 months compared with those who had not received a main benefit.
- <u>Tracking wellbeing in Aotearoa New Zealand: Family types</u>: This findings report focuses on trends in wellbeing among four key family types that broadly align with family types used for determining income support eligibility: 1) Couples with dependent children; 2) Couples without dependent children; 3) Single parents with dependent children; and, 4) Sole people without dependent children.
- <u>Tracking wellbeing in Aotearoa New Zealand: Methodological report</u>: This report contains detailed information on the methodological approach taken to construct the datasets and measures that produce the wellbeing estimates in the findings reports.

Data and sample



* Data collected in the years 2008-2018 cover the periods of April in the current year through March the subsequent year. In 2020, the data collection period is May 7th, 2020, through March 2021.

Data come from Stats NZ's Integrated Data Infrastructure, with the analytical dataset consisting of linked administrative data and survey data.

Information on benefit receipt comes from MSD's benefit data. These data capture information on people's main benefit and supplementary payment receipt, including start and end dates of benefit receipt spells.

Data on wellbeing and other sociodemographic information, such as those needed to construct family type, come from the 2008-2018 New Zealand General Social Survey (NZGSS) and from the2020/21 Household Labour Force Survey (HLFS).

These data sources are linked in the IDI at the person level.

The final analytical sample included all survey respondents aged 18-64 years old.

Wellbeing domains, main benefit receipt, and family type

Overall, 20 wellbeing indicators were selected across six wellbeing domains. These domains include:



Data on wellbeing indicators come from the NZGSS and the HLFS. More information on the selection criteria and indicator harmonisation across waves can be found in the <u>Methodological report</u>.

Main benefit receipt

- Data on benefit receipt comes from MSD's benefit data, which captures information on people's main benefit and supplementary payment receipt, including start and end dates of benefit receipt spells.
- The benefit receipt date is linked with the date respondents took the survey—the same survey from which we draw wellbeing data—to determine eligibility receipt during certain time frames.
- In this report, we focus on **main benefit receipt in the past 12 months** prior to the day of wellbeing survey completion. Main benefit refers to income assistance such as Jobseeker Support, Sole Parent Support, and the Supported Living Payment.

Family type

- Family type was determined from the perspective of the survey respondent and was constructed from the Stats NZ household matrix—a standard format on Stats NZ social surveys for collecting information about the people living in the household and the relationships among the household members.
- Respondents were categorised into one of four groups that broadly align with family types that are used to assess entitlement or income support at MSD:
 - 1) Couples without dependent children;
 - 2) Couples with dependent children;
 - 3) Single people without dependent children; and,
 - 4) Sole parents with dependent children.

Analytical approach and limitations

Analytical approach

The estimates produced are bivariate statistics, with wellbeing estimates presented as means and proportions depending on how the outcome was measured. The data were pooled and estimated for each year separately, by the interaction between main benefit receipt and family type, reporting differences between those who receive a main benefit compared to those who did not, *within* family type. The figures are presented with 95% Confidence Intervals (CIs) to provide information on statistical differences between groups and over time.

The supplementary tables contain these estimates and CIs, along with t-test and chi² tests for key comparisons.

Weighting

The final survey weight from the respective surveys, along with 100 jackknife replicate weights, were used to account for the multistage sampling design and to generate population-level estimates.

Analysis interpretation and data limitations

- Findings should be interpreted as a snapshot of a group of people's experiences, on average, at a given point in time.
- Findings are correlational, not causal. Other factors might explain differences between those who received benefits versus those who did not that are associated with wellbeing and overrepresentation in the population receiving benefits, such as disability status, gender, and age.
- Smaller sample sizes among some groups—such as among sole parents receiving a main benefit—has resulted in some suppressed values (per Stats NZ confidentiality rules), and likely accounts for some instability in estimates across years. This also means that drilling down further to examine some of these trends by ethnicity, for example, was not possible. Small sample sizes also means we may be limited in determining statistical differences across groups, even when these differences may appear large. Findings should be interpreted with this understanding.
- Comparisons are made across many years—years in which the proportion of the population receiving main benefits has changed, as too the sociodemographic composition of those receiving main benefits. It is important to contextualise the interpretation of these findings with these changes in mind. More information on these compositional shifts can be found in the Methodological report.

Findings summary: Benefit receipt and family type



wellbeing among those receiving benefits across all family types was similar or converged over time with those who did not receive a benefit. There was
improvement in
economic needs
being met among
those receiving a
benefit, narrowing
the gap with those
not receiving a
benefit. This trend
was most
pronounced among
sole parents.

Housing conditions improved from 2016 through 2020, with greater improvements for parents receiving benefits, narrowing the housing condition gap between those receiving a benefit and those not. Self-reported health remained consistent across time for those receiving a benefit, although the health gap widened between those receiving a benefit and those not for couples without children and sole parents.

Indicators of social connectedness remained mostly stable, with increases in trust in parliament among those receiving a benefit, but also increases in experiencing discrimination. Feelings about neighbourhood safety among those receiving a benefit improved. The gap, between those receiving a benefit and those not, however, remained similar or widened. This gap widened most for couples with children.

Socioemotional wellbeing: Life satisfaction

Life satisfaction increased from 2008 to 2020, although gaps remained between those who received a main benefit in the past 12 months compared to those who had not.

This increase was larger for those receiving a main benefit in the past 12 months among couples with and without dependent children, narrowing the life satisfaction gap by benefit status by 2020.

The benefit receipt-related gap in life satisfaction remained consistent among single people without dependent children and sole parents.



Life satisfaction scale score

Data source: StatsNZ IDI

Note: "How do you feel about your life as a whole?" 1 = very/completely dissatisfied; 5 = very/completely satisfied. Measurement change between 2008-2012 (1-5 scale) and 2014-2020 (0-10 scale). 0-10 scale collapsed to 1-5 scale.

Socioemotional wellbeing: Self-actualisation

Couples with dependent children Couples without dependent children 5 3 Average scale score Sole parents with dependent children Single people without dependent children 3 2 2012 2014 2008 2008 2010 2016 2018 2010 2012 2014 2016 2018 No benefit in the past 12 months - Main benefit in the past 12 months

Data source: StatsNZ IDI

Note: "How easy or hard is it for you to be yourself in New Zealand?" 1 = very hard/difficult; 5 = very easy. Construct not available in the 2020/21 HLFS. In 2008-2012 the question asked: "Here in New Zealand, how easy or difficult is it for you to express your own identity?" In 2014-2018, this changed to: "People in New Zealand have different lifestyles, cultures, and beliefs that express who they are. How easy or hard is it for you to be yourself in New Zealand?" This question was not asked on the 2020/21 HLFS.

There was little statistical difference in self-actualization (e.g., the ease of expressing oneself) between those who received a benefit in the past 12 months compared to those who did not across the family types from 2008 through 2018.

Modest disparities that emerged between 2012 and 2014 should be treated with caution given changes in survey question wording between those periods. Ability to express identity scale score

Comparing those who received a main benefit in the past year versus those who did not: by family type

Socioemotional wellbeing: Family wellbeing

Differences in family wellbeing between those who received a main benefit in the past 12 months compared to those who did not among couples with and without dependent children, and single people without dependent children, closed between 2018 and 2020, driven by increases in family wellbeing among those receiving benefits.

There was no statistical difference in family wellbeing by benefit receipt status among sole parents in 2018 nor 2020, with both groups reporting a similar increase in family wellbeing between 2018 and 2020. Family wellbeing among these groups was statistically similar across benefit status and family types.



Family wellbeing scale score

Note: "How would you rate how your family is doing these days?" 0 = extremely badly; 10 = extremely well. Construct not available from 2008-2016.

Economic wellbeing: Income inadequacy

Percent with not enough money to meet everyday needs Comparing those who received a main benefit in the past year versus those who did not: by family type

There was a decrease from 2008 to 2020 in the percent reporting their income did not meet their basic needs, across all benefit receipt and family type subgroups.

This decline was strongest among single people without dependent children and sole parents. By 2020 the benefit receipt gap in income adequacy was narrower among single people and sole parents than among couples.



Data source: StatsNZ IDI

Note: "How well does [your household] income meet your everyday needs, for such things as accommodation, food, clothing and other necessities?" 1 = not enough money; 2 = only just enough money; 3 = enough money; 4 = more than enough money. Figure displays percent who reported not enough money vs. those with just enough, enough, and more than enough money.

Economic wellbeing: Material wellbeing

Material wellbeing—an index scale indicating access to certain resources, or absence of need—has remained consistent over time for those not receiving a main benefit in the past year across all family types, except for a slight decline between 2016 and 2018.

Among those who received a benefit, there has been a decline in the material wellbeing index from 2008 through 2018, with that decline larger among couples without dependent children, modestly widening the benefit receipt status gap in material wellbeing across all family types.

The material wellbeing scale was not available in 2020.



Material wellbeing scale score

Comparing those who received a main benefit in the past year versus those who did not: by family type

Data source: StatsNZ IDI

Note: Material wellbeing measure in 2008-2012 NZGSS (the Economic Living Standards Index) was deflated to approximate the Material Wellbeing Index (MWI) in 2014-2018 for comparability over time. This deflation resulted in a distribution of 0-19 in 2008-2012 and a distribution of 0-20 in 2014-2018. The index is not available in the 2020/21 HLFS.

Economic wellbeing: Employment

The proportion of those receiving a main benefit in the past 12 months who reported being employed was similar when comparing 2008 with 2020 across most family types.

The COVID-19 pandemic disrupted the consistent increase from 2012 through 2018 in employment among sole parents not receiving a benefit, with a drop from 88% of sole parents employed in 2018 to 78% in 2020.

There was an increase in the proportion of sole parents who received a benefit who were employed from 2012 to 2014 potentially reflecting 2013 changes in work requirements for income assistance—but this increase returned to 2008 employment levels by 2020.



Percent in paid employment

Comparing those who received a main benefit in the past year versus those who did not: by family type

Data source: StatsNZ IDI

Note: Primary respondent was in paid employment at the time of the survey versus primary respondent unemployed or not participating in the labour force.

Housing: Coldness not a major problem

Those receiving a main benefit in the past year were more likely to report that coldness was a major problem compared to those who had not received a benefit. By 2020, however, this gap had substantially narrowed due to larger increases between 2018 and 2020 among those receiving a benefit who did not report coldness being a major problem.

Across family types among those receiving a main benefit, larger increases in coldness not being a problem between 2018 and 2020 were reported by those with dependent children.

It is important to note that changes in the measurement in housing coldness may account for some of the changes at key points (i.e., between 2012-2014 and 2018-2020).



Percent reporting coldness not being a major problem in their home

Note: Significant changes in measurement across time. All measures were transformed into a binary measure: 2008-2012: *no* = no major problem; 2014-2018: *no* = no problem or sometimes a problem; 2020: *no* = no problem or a minor problem. Measures across time: 2008-2012: binary measure (yes/no) of cold being a major problem; 2014-2018: 4-point scale measuring the frequency of problem (always/often/sometimes/no problem); 2020: 3-point scale measuring the magnitude of the problem (major/minor/no problem).

Data source: StatsNZ IDI

Housing: Dampness not a major problem

Reports of dampness not being a major problem steadily increased from 2008 through 2020.

This improvement was larger for those who received a main benefit in the past year, narrowing the gap in reports of dampness among those receiving a main benefit and those who did not.

These trends did not differ substantively across family types.



Percent reporting dampness not being a major problem in their home

Data source: StatsNZ IDI

16

Note: Significant changes in measurement across time. All measures were transformed into a binary measure: 2008-2012: *no* = no problem; 2014-2020: *no* = no problem or minor problem.

Measures across time: 2008-2012: binary measure (yes/no) of dampness being a major problem; 2014-2020: 3-point scale measuring the magnitude of the problem of dampness or mould (major/minor/no problem).

Housing: Not in an overcrowded home

There were no or few statistical differences in whether respondents lived in homes that had enough bedrooms for household members between those who received a main benefit in the past 12 months and those who did not among most family types from 2008 through 2018.

Among couples with dependent children, however, those receiving a main benefit were less likely to live in homes with enough bedrooms than those not receiving a main benefit. This gap narrowed between 2008 and 2012, driven by increases in having enough bedrooms among those receiving a benefit, before widening again from 2012 through 2018, this time due to declines among those receiving benefits.



Percent not living in an overcrowded home

Note: Percent of respondents who do not live in an overcrowded household. (*Not overcrowded* = no more bedrooms needed; *Overcrowded* = one or more bedrooms needed) 17

Health: General self-report health

People's reports of their health were stable from 2008 through 2020.

There was a slight narrowing of the health gap between those who received a benefit in the past month with those who had not received a benefit among couples with dependent children and single people without dependent children, primarily due to reported declines in health among those not receiving a main benefit.

The health gap between those who received benefits and those who did not widened, however, among sole parents with dependent children and couples without dependent children over the 2016-2020 period due to reports of better health among those not receiving a benefit and worse health among those receiving a benefit.



Note: "In general, would you say your health is excellent, very good, good, fair, or poor?" 1 = poor; 5 = excellent.

Social connectedness: Loneliness

Feelings of loneliness in the past four weeks

Comparing those who received a main benefit in the past year versus those who did not: by family type

Feelings of loneliness remained consistent between 2014 and 2020, with no statistical differences between those receiving a main benefit in the past 12 months among couples without children, single people without children, and sole parents.

Among couples with dependent children, those receiving a main benefit reported, on average, greater feelings of loneliness, with the gap widening between 2016 and 2018, before returning to pre-2016 levels by 2020.



Data source: StatsNZ IDI

Note: "In the last four weeks, how much of the time have you felt lonely?" 1 = none of the time; 2 = a little of the time; 3 = some of the time; 4 =most of the time; 5 =all of the time. Construct not available between 2008-2012.

Social connectedness: Trust in parliament

Trust in parliament

Comparing those who received a main benefit in the past year versus those who did not: by family type

Trust in parliament increased from 2016 to 2020, with the gap between those who received a benefit in the past 12 months and those who did not closing from 2016 through to 2020 among couples with and without dependent children, due to steeper increases in trust among those receiving a main benefit.

Although trust in parliament rose for single people without dependent children and sole parents, the gap by benefit receipt status among those two groups did not completely close by 2020.



Note: "How much do you trust parliament?" *0* = not at all; *10* = completely. Construct not available between 2008-2012.

Social connectedness: Trust in the health system

Trust in the health system

Comparing those who received a main benefit in the past year versus those who did not: by family type

Couples with dependent children Couples without dependent children 10.0 7.5 5.0 2.5 score scale 0.0 Sole parents with dependent children Single people without dependent children Average 7.5 5.0 2.5 0.0 2014 2016 2018 2020 2014 2016

🗕 No benefit in the past 12 months 🔁 Main benefit in the past 12 months

Data source: StatsNZ IDI

2020

2018

Note: "How much do you trust the health system?" 0 = not at all; 10 = completely. Construct not available between 2008-2012.

Trust in the health system improved from 2014 to 2020 among those who did not receive a main benefit in the past 12 months.

Among those who did receive a main benefit, however, trust in the health system declined from 2014 through 2018, with an increase between 2018 and 2020.

These two trends meant that by 2020, there was a trust gap by benefit receipt among couples without dependent children, single people without dependent children, and sole parents.

Social connectedness: Trust in media

Trust in media

Comparing those who received a main benefit in the past year versus those who did not: by family type

Trust in media remained at similar levels from 2014 through 2020 among those who did not receive a main benefit in the past 12 months.

Among those who had received a main benefit in the past 12 months, there was a decline in trust in media from 2014 to 2020 that led to a trust gap by 2020 among couples with dependent children, single people without dependent children, and sole parents.

There was no trust gap by main benefit receipt by 2020 among couples with dependent children.



Data source: StatsNZ IDI

Note: "How much do you trust the media?" *0* = not at all; *10* = completely. Construct not available between 2008-2012.

Social connectedness: Trust in the police

Trust in the police remained consistent from 2014 to 2020, with a persistent gap between those who received a main benefit in the past year and those who did not.

This trust gap by main benefit receipt was consistent and widest among single people without dependent children, and consistent but narrower among sole parents.

The trust gap by main benefit receipt widened between 2014 and 2016 before narrowing by 2020 among couples with and without dependent children. This widening and narrowing was driven by a decline in trust and then subsequent increase in trust by those receiving a main benefit.



Trust in the police Comparing those who received a main benefit in the past year versus those who did not: by family type

> Note: "How much do you trust the police?" *0* = not at all; *10* = completely. Construct not available between 2008-2012.

Social connectedness: Friends

There were no statistical differences in the proportion of people who said they were connected or well connected to friends when comparing those who received a main benefit in the past year to those who had not.

This pattern was consistent across all family types.



Percent connected or very well connected with friends Comparing those who received a main benefit in the past year versus those who did not: by family type

Data source: StatsNZ IDI

Note: "How would you describe the amount of contact you have with your friends [who don't live with you]?" 3-point measurement scale was transformed into a binary measure: Connected/very well connected vs. not well connected. Construct was not available in 2014, 2016, and 2020.

Social connectedness: Family and whānau

Similarly, there were no statistical differences between benefit status groups across all family types in reports of connectedness to family and whānau that they do not reside with.



Percent connected or very well connected with family and whānau

Data source: StatsNZ IDI

Note: "How would you describe the amount of contact you have with your family or relatives [who don't live with you]? " 3point measurement scale was transformed into a binary measure: Connected/very well connected vs. not well connected. Construct was not available in 2014-2016.

Social connectedness: Discrimination

At most time points and across family types, those receiving a main benefit were more likely to report experiences of discrimination in the past year that those who had not received a main benefit.

These differences appeared to widen across time, in particular for coupled respondents with dependent children, primarily due to increases in reports of discrimination among those receiving a main benefit.

The largest gaps by benefit status in discrimination experiences occurred in 2020 for sole parents and couples without dependent children, and in 2014 for single people without dependent children.



Percent experiencing discrimination in the past year

Comparing those who received a main benefit in the past year versus those who did not: by family type

Data source: StatsNZ IDI

Note: "In the last 12 months, have you been discriminated against?" 1 = yes; 0 = no. Significant change in question wording: 2008-2012: "In the last 12 months, have you been treated unfairly or had something nasty done to you because of the group you belong to or seem to belong to?" In 2014-2020: "The next question is about discrimination in New Zealand. By discrimination I mean being treated unfairly or differently compared to other people. In the last 12 months have you been discriminated against?"

Safety: Neighbourhood safety

While feelings of safety walking alone in the neighbourhood after dark improved for all groups from 2008 to 2020, people who received a main benefit in the past year reported lower average feelings of neighbourhood safety than those who did not receive a main benefit.

Across family types, this gap had widened among couples with children and single people without dependent children by 2020, primarily due to more modest increases in feeling safe among those receiving a main benefit in the past year compared to those who had not.



Feelings of safety walking alone in the neighbourhood after dark Comparing those who received a main benefit in the past year versus those who did not: by family type

Note: "How safe or unsafe do you feel walking alone in your neighbourhood after dark?" 1 = very unsafe; 5 = very safe.

Data source: StatsNZ IDI

Safety: Victimisation

Couples with dependent children Couples without dependent children 90 60 30 Percent Single people without dependent children Sole parents with dependent children 90 60 30 0 2008 2008 2010 2012 2014 2016 2018 2010 2012 2014 2016 2018 🕂 No benefit in the past 12 months 🛁 Main benefit in the past 12 months

There were no statistical differences among reports of being a victim of crime in the past year between those who had received a main benefit in the past year and those who had not across family types.

Percent reporting being a victim of crime in the past year Comparing those who received a main benefit in the past year versus those who did not: by family type

Data source: StatsNZ IDI

Note: "In the last 12 months, were any crimes committed against you?" 1 = yes; 0 = no.

Findings discussion: Benefit receipt and family types

Examining the intersection of benefit receipt and family type highlighted that, among those receiving a main benefit, families with children experienced the greatest economic and housing conditions improvement

- When there were wellbeing gaps that narrowed from 2008 through 2020 between those who had received a main benefit and those who had not, this narrowing was more pronounced among those family types with less resources: sole parents, specifically, and parents, more generally.
- This narrowing occurred among economic (i.e., income adequacy, employment) and housing conditions (i.e., dampness, coldness)—key
 wellbeing indicators more likely (than other wellbeing indicators) to be influenced by changes to the welfare system (e.g., increases to benefit
 rates and the accommodation supplement, introduction of Best Start and the winter energy payment, changes to the Residential Tenancies
 Act and Healthy Homes legislation that may have outsized impact on renters).
- Given that changes to the welfare system impact low-income families with children, more so than other working-age groups, it is intuitive that the narrowing of the wellbeing gap between those who received a benefit compared to those who had not would be more heavily concentrated among families with children.

There were few differences in socioemotional wellbeing and connectedness across the family types by main benefit receipt

- There were few differences in socioemotional wellbeing and connectedness across the family types in terms of the disparities between those who received a main benefit and those who did not. That is, more often than not, there were no differences between those who received a main benefit and those who did not, and when there was, those patterns of disparities were similar across family types.
- This finding points to the salience of benefit receipt as a key sub-group—perhaps more so than family type—as a contributing factor or key sub-group stratifier when examining socioemotional wellbeing.
- This finding also points to sources of resilience in the lives of families who are being supported by the social safety net, and forms of support for parents who may be taking on more caregiving responsibilities, such as sole parents.