



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

What happened to people in the 12 months after they left the benefit system

UP TO JUNE 2023



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: 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.

Reliances and limitations

In undertaking this analysis, we have relied upon the accuracy of information contained in the IDI and described in the [technical guide](#). We have used the information without independent verification. It has been reviewed where possible for reasonableness and consistency including with prior reports.

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Published 20 September 2024

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An overview of this analysis

Overview

This report continues a series which examines what happened to people who exited the benefit system. It considers why they exited off a main benefit including where they went, such as into work, enrolled into a tertiary course or began an apprenticeship or some other industry training. It also follows their outcomes after their exits to understand how many remained off-benefit, how many stayed in employment and how their incomes changed after exiting.

It presents an in-depth descriptive analysis to support the insights report¹, and delves deeper into the outcomes of different groups of the population. A separate technical guide provides information about how the analysis was done and can be found on our website¹.

Purpose of this analysis

The purpose of this report is to look back and follow what happened to people when they left the benefit system. It provides a descriptive analysis of who was supported by a main benefit; who left the benefit system; and where they went such as beginning work, enrolling in a tertiary course or a type of industry training once they exited off a main benefit. To understand what has happened to people leaving the benefit system across time, we analysed people's exits in different years (i.e., from different cohorts).

To further understand what happened after people exited, we follow their outcomes for at least 12-months after their exit. For people who left in earlier cohorts we follow their outcomes for longer.

Understanding these trends helps the Ministry of Social Development - Te Manatū Whakahiato ora (MSD) better understand whether and how outcomes have changed over time, for those leaving the system. This is important as MSD aims to support people to reduce their need for benefit support over the long-term.

Scope of this report

This report focuses on what happened to the 137,600 people who left the benefit system in the year ended June 2022. We then followed them for 12-months after they exited a main benefit up to June 2023. To understand how things have changed over

¹ The main insights report and technical guide for 'What happened to people in the 12 months after they left the benefit system up to June 2023' can be found here: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>



time and to follow people's outcomes over a longer time period, we also looked at previous cohorts.

Cohorts are defined by the period in which they exited the benefit system:

- 2018/2019: Exited the benefit system between 1 July 2018 and 30 June 2019
- 2019/2020: Exited the benefit system between 1 July 2019 and 30 June 2020
- 2020/2021: Exited the benefit system between 1 July 2020 and 30 June 2021
- 2021/2022: Exited the benefit system between 1 July 2021 and 30 June 2022

Changes over time could be due to characteristic differences between cohorts as well as external factors such as the labour market and economic environment, policy changes or changes to the operational environment. As this is a descriptive analysis of trends and patterns, further work would be needed to understand why outcomes differ across groups and how MSD could respond to those.

More information is available in the technical guide and data tables

This analysis was completed using the Integrated Data Infrastructure (IDI) which gives us access to information on peoples' lives once they have left the benefit system. The research numbers in this report rely on a range of administrative data from a variety of agencies and only include people who have left the benefit system for at least a full-calendar month. Therefore, these research figures will be lower than official MSD benefit statistics. More information on the datasets used and our approach can be found in the technical guide².

For further results the full set of data tables called "What happened to people who left the benefit system – June 2023 – Data tables.xlsx" are published along with this report².

² The technical guide and full data tables for 'What happened to people in the 12 months after they left the benefit system up to June 2023' can be found here: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>



Key facts

Exits to employment

Employment (counting anyone who exited and began earning \$1,816 or more the month they exited) made up 60 percent of all exits from the benefit system in the year to June 2022, similar to 59.5 percent in the previous year.

A lower proportion of people also stayed their employment (defined as remained off benefit and continued to earn a minimum of \$1,816 each month for at least a year), with 47 percent sustaining their employment compared to 50 percent in the previous year. However, this was still relatively high compared to pre-COVID-19 levels of around 42 percent.

The decrease in the proportion of people who stayed in employment is likely due to weakening economic conditions which can make it harder for people to find work, but also retain work making it difficult to remain off benefit.

The top 3 industries that people exited into were Administrative and Support Services; Manufacturing; and Retail Trade, which made up 38 percent of exits altogether.

Exits to tertiary education

There has been a long-term decrease in the proportion of people moving into tertiary education since 2014, except for the year ended June 2021. In the year ended June 2022, this longer-term trend continued, where fewer people exited into tertiary education compared to previous years.

In the year to June 2022:

- Overall, exits into tertiary education (including full-time and part-time) were lower than the previous year. Six percent of all exits were into tertiary education, down from nearly nine percent in the previous year.
- Just over one in two people who enrolled in a tertiary education course had remained off benefit after a year. This may be because many tertiary courses are longer than a year, so people are likely to remain off benefit for longer.
- The most common types of courses people enrolled in were: Society and Culture; Management and Commerce; and Mixed Field Programmes.

To factor in the trends for those who completed their courses, we looked at people who exited off a main benefit into tertiary education in the year ended June 2020:

- While a small number of people had enrolled in a 'Natural and Physical Sciences' course, 44 percent of those people had remained off benefit three years after their exit.
- Society and Culture courses had the highest number of enrollments in the year to June 2020 and 33 percent had remained off benefit after three years.



Looking even further back, for those that exited a main benefit and enrolled into a tertiary education course in the year ended June 2019:

- People who had enrolled in a Health course and remained off benefit for the following 4 years had the highest monthly incomes (earning on average around \$4,800). People who had enrolled into an Information Technology course on average also had a relatively high income (\$4,400).

Exits to targeted/industry training

In the year to June 2022, 70.0 percent of people who exited to targeted/industry training remained off benefit for at least a year.

Construction and Manufacturing were the two most common training course types making up 23.7 percent and 20.9 percent of all exits into targeted/industry training respectively in the year to June 2022. However, Manufacturing had the lowest proportion of people who remained off benefit for at least a year after exit (51.4 percent).

This could be due to the range of roles within the Manufacturing industry such as packaging, seafood processing and fruit processing which belong to seasonal sub-industries. Generally, people who enter a seasonal sub-industry are less likely to sustain their exits compared to their non-seasonal counterparts.

For people who exited in the year ended June 2022 and stayed in employment for one year, on average people who entered a Public Administration and Safety course earned more than people who entered other targeted/industry training courses.

Gender

In the year ended June 2022 women were less likely to exit off a main benefit (27.1 percent for women vs 36 percent for men) and exit into employment. However, women were more likely to remain off benefit and stay in employment.

For people who were able to stay in employment for a year, men tended to earn more than women over the first 12 months.

Some of the differences between men and women in these results may be linked to the type of benefit they were supported by before their exit and the types of employment they tend to enter.

Age

Young people (16–24-year-olds) had the highest likelihood of leaving the benefit system and the highest likelihood of exiting to employment. This likelihood decreases for older age groups. The likelihood of exiting from main benefits and exiting to employment has remained the same compared to previous year for all age groups.



While young people were the most likely to leave to work, they had the lowest proportion of people stay in employment (42 percent) compared of to all other age groups.

Of those that stayed in employment for at least a year, young people tended to have earned less than their older counterparts.

Young people tend to have lower skill levels, more casual employment arrangements, and less previous work experience which can all influence their ability to stay in work and the pay they receive.

Ethnicity

The likelihood of leaving the benefit system and leaving to work had little changes for all ethnicities compared to last year.

People who identified as Asian had the highest likelihood of exiting a benefit. Pacific Peoples had the highest likelihood of exiting to employment. Māori had low likelihoods of both exiting a benefit and exiting to employment compared to all other ethnicities.

There were decreases in the proportion of people staying in employment across all ethnic groups between the year ended June 2021 and June 2022, and it remains lower for Māori compared to other ethnic groups.

For people who remain in work for at least a year after they exited into employment, people who identify as Asian have the highest monthly earnings compared to all other ethnicities. Māori and Pacific Peoples earned less on average compared to other ethnicities.

Education

Overall people with higher levels of education were more likely to remain off benefit and stay in employment a year after their exits.

While the likelihood of exiting decreased across most levels of education, the decrease was largest for those with higher qualifications.

Benefit category

Most people who exit the main benefit exit from JS – WR/YP. This is likely because JS – WR/YP is the largest benefit category and because JS – WR clients are required to be available for and take reasonable steps to find suitable full-time work.

While the likelihood of leaving the benefit system decreased overall, it either increased or remained the same for all main benefit types. This likely reflects the compositional changes of the benefit population. For example, JS – WR clients made up a smaller proportion of exits compared to the previous year.



For people who exited the benefit system, a lower proportion remained off benefit for most benefit types. However, for people that exited from SLP – Carers, they had an increased likelihood of staying in employment in 2021/22.

SLP-Carers clients who exited into employment in the year ended June 2022 tended to have the highest incomes at 12-months if they had stayed in employment. While SPS clients tended to have the lowest incomes.

Benefit history

Generally, the likelihood of exiting a main benefit tends to decrease the more time someone spends on a main benefit. The likelihood of either exiting main benefits or exiting into employment improved in 2021/22 for those who had spent less than three months or over one year on a main benefit. This might in part be due to the large number of people who came into the benefit system following the initial economic effect of COVID-19, some of whom are still leaving the benefit system.

People who have spent between one and four years on a benefit prior to their exit were more likely to remain off benefit compared those that exited in the year to June 2021.

For those who had spent less than four years on a benefit prior to exiting, a smaller proportion of them stayed in employment compared to last year.

Of those who had stayed in employment for at least a year, people who had spent less time on a benefit prior to exiting had higher average incomes.

Regional view

Most regions had a decrease in the likelihood of exiting off benefit or exiting into employment compared to last year. Marlborough had the largest decrease in their likelihood of exiting off benefit and exiting into employment compared to last year, reaching the lowest it had been in the past 4 years. West Coast has the lowest likelihood of exiting off benefit or into employment among all regions.

Southland has the highest likelihood of both exiting off benefit and exiting into employment among all regions. However, it was one of the regions with the lowest rate for both remaining off-benefit and staying in employment.

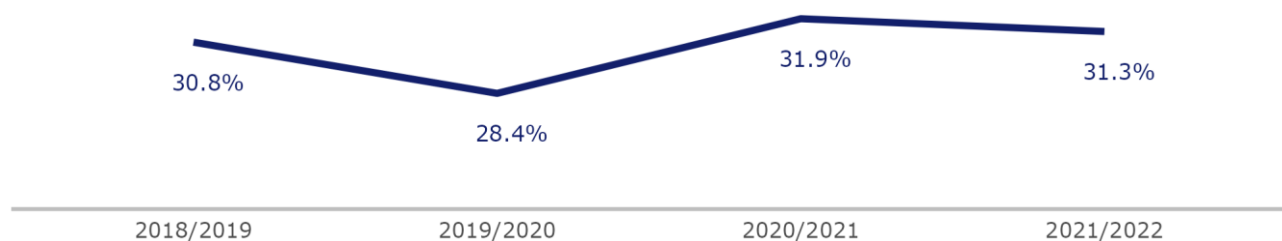
Regions with large cities such as Auckland, Wellington and Canterbury tend to have the highest rates of both remaining off benefit and staying in employment. Part of this is likely due to the wide range of industries and roles available in these regions.

Overall findings

The likelihood of exiting the benefit system decreased compared to the previous year

Between the year ended June 2021 and June 2022, the average number of people supported by a main benefit decreased by 14,000 people (3.6 percent) to 372,800 people.

Figure 1: Average likelihood of exiting a main benefit



In the year ended June 2021 the likelihood³ of exiting a main benefit was 31.9 percent which decreased slightly to 31.3 percent in the year ended June 2022. This was in line with the slight weakening of economic conditions in 2022 that followed the initial rebound economic recovery from the early COVID-19 lockdowns in 2020. However, the likelihood of exiting benefit system in the year ended June 2022 was still higher than the pre-COVID-19 level of 30.8 percent. The full list of reasons for leaving the benefit system included in this analysis can be found in the technical guide⁴.

As with previous years, exiting into employment⁵ was the most common reason a person left a main benefit compared to all other exit reason categories.

³The likelihood of exiting a main benefit over a 12-month period is defined below, where:

a: The average number of people exiting off a main benefit each month over that 12-month period

b: The average number of people receiving a main benefit each month over that 12-month period

$$1 - \left(1 - \left(\frac{a}{b}\right)\right)^{12}$$

⁴ The technical guide for 'What happened to people in the 12 months after they left the benefit system up to June 2023' can be found here: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>

⁵As exiting to employment is the most common exit reason, we also report on the likelihood of exiting to employment. The likelihood of exiting to employment is scaled against the overall likelihood of exiting where:

x: The overall likelihood of exiting a main benefit over 12-months

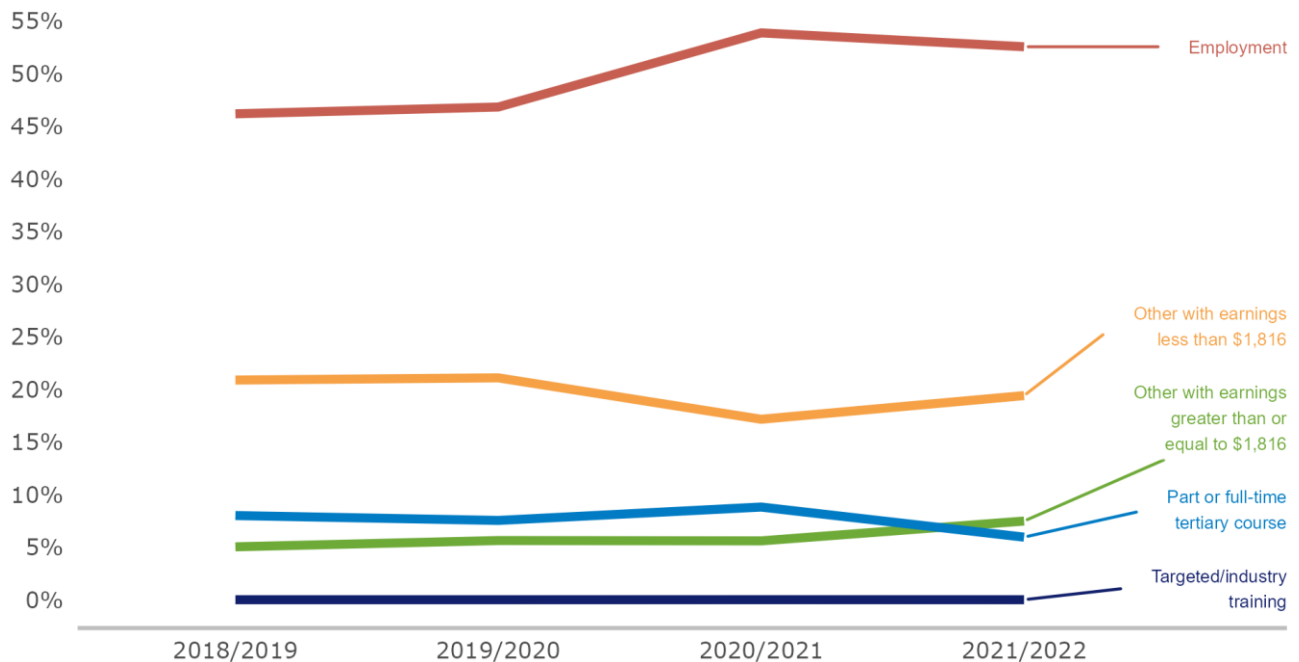
y: Number of people who exited into employment over that 12-month period

z: Total number of people who exited off a main benefit over that 12-month period

$$x \left(\frac{y}{z}\right)$$

Employment is the most common reason a person leaves a main benefit, this has been consistent over time

Figure 2: People leaving the benefit system each year, by exit reason



Defining employment and sustained employment

Employment

Throughout this report, we measure exits to employment by including all exits from a main benefit where a person has earnings of at least \$1,816 per month. That is, the exit reason 'Employment' and 'Other with income equal to or greater than \$1,816'.

Sustained employment

People within the above group who maintained employment earnings of at least \$1,816 each month for the first year after they exited into employment are referred to as having sustained employment (or maintained employment, or sustained employment earnings). If a person changes jobs but still maintained income over \$1,816 each month, then they were still counted as sustaining their employment.

Setting the income threshold when defining employment

An income threshold of \$1,816 is used as it represents the monthly income that a person who works 20 hours per week at minimum wage would earn; assuming they work an average of four weeks per month. All dollar amounts are indexed to September 2023.

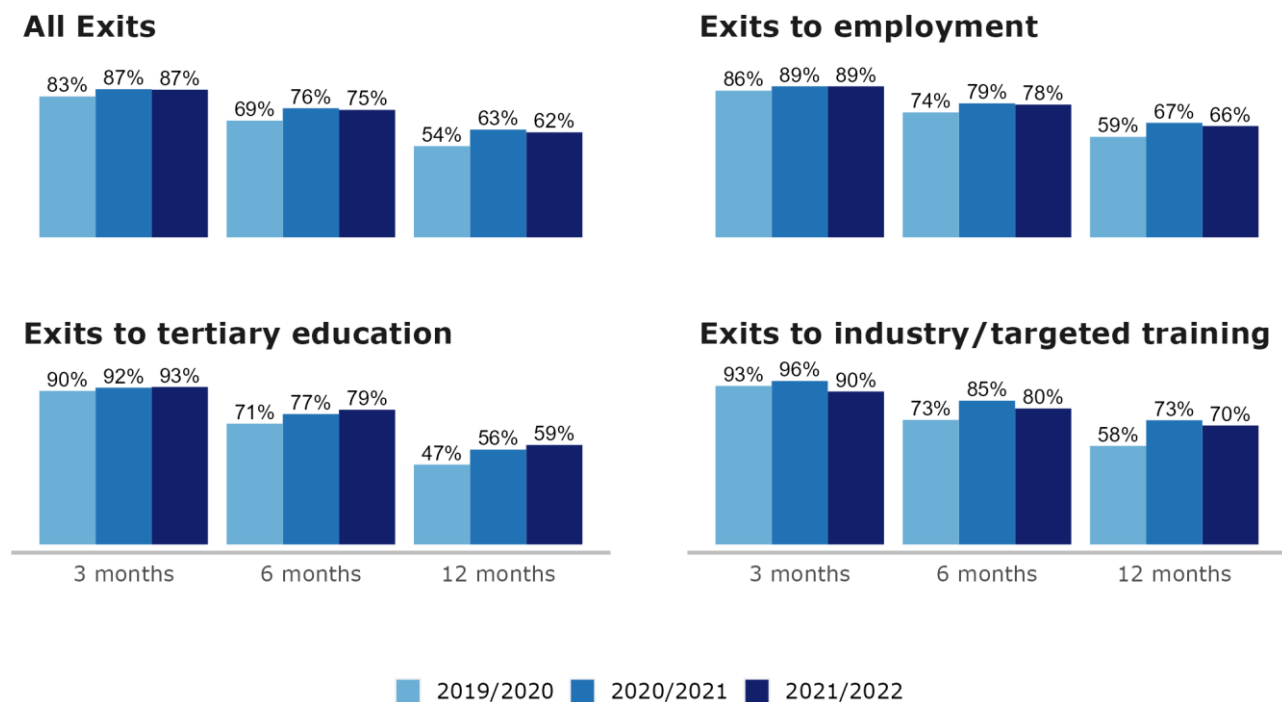


Of those who left the benefit system, there was a decrease in the proportion that remained off benefit compared to the previous year.

Overall 61.8 percent of people who left a main benefit in the year ended June 2022 remained off a main benefit for at least a year, which is a decrease from the previous year where 63.4 percent remained off a main benefit after a year. For people who exited to employment or an industry/targeted training course in the year ended June 2022, a smaller proportion remained off benefit for 12-months compared to those who exited the previous year. However, a higher proportion of people who enrolled in a tertiary course remained off benefit after 12-months compared to the previous year.

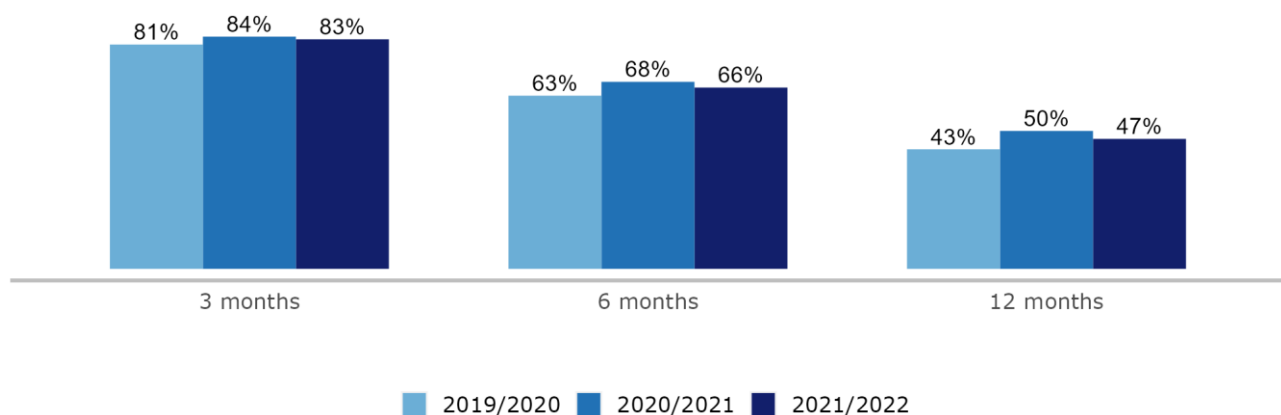
Exits from a main benefit

Figure 3: The proportion of people who remained off benefit three, six and 12-months after exiting, by year



There was a decrease in the proportion of people who stayed in their employment compared to the previous year.

Figure 4: The proportion of people who maintained earnings over \$1,816 (i.e., sustained their employment) three, six and 12-months after exiting into employment, by year



In the year ended June 2022:

- approximately 82,600 people (60 percent of all exits) exited a main benefit into employment compared to approximately 87,000 people (59.5 percent of exits) for June 2021.
- 65.5 percent of those who exited to employment remained off benefit for a year. In the year ended June 2021 the figure was 67.4 (Figure 3).
- 47 percent of people who exited to employment were able to stay in employment (i.e., remained off benefit *and* maintained earnings over \$1,816 per month) for a year. For the year ended June 2021 the figure was 49.9 percent.

There was a slight decrease in proportion of people who stayed in employment after leaving the benefit system overall, this was in line with the slowing economic conditions.

Following the rising interest rates from June 2022⁶, firms reported a decline in business activity. Gross Domestic Product (GDP) data from StatsNZ showed that when accounting for New Zealand's population growth, quarterly GDP per capita fell for three consecutive quarters in the year to June 2023.⁷ There was also decreasing

⁶ Reserve Bank lifted the Official Cash Rate (OCR) from 2.0 percent in June 2022 to 5.5 percent by June 2023. The last time the OCR was above 6 percent was towards the end of 2008 following the Global Financial Crisis.

⁷ GDP per capita was calculated using a seasonally adjusted measure of total GDP per quarter by the quarterly estimated NZ resident population found on StatsNZ Infoshare:
<https://infoshare.stats.govt.nz/Default.aspx>

online job ads⁸ and firms reported a decline in business activity⁹. As economic growth slows, it can be harder to find and retain work, making it difficult to remain off benefit.

People with higher incomes when they began employment were more likely to stay in employment

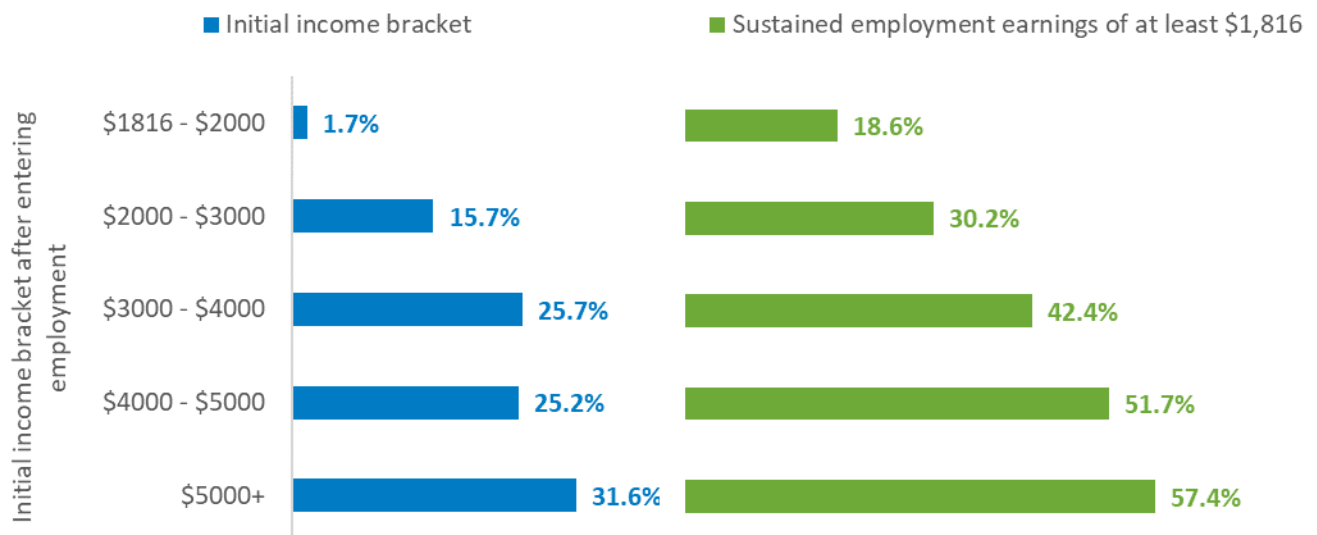
Generally, people earning higher starting incomes when they began employment, tended to stay in employment more than those with lower starting incomes. However, this effect reduces slightly after reaching the equivalent of working full-time at minimum wage (\$3,632 per month).

On average, people who entered into full-time work (or part-time with a higher wage) were better able to stay in employment. Earning more than this threshold still correlated with a higher proportion of people staying in employment, but the effect was slightly reduced.

Figure 5: Initial outcomes for people who exited to employment

Left: Percent of people who exited by their initial income bracket when they first exited to employment in the year ended June 2022

Right: The proportion of people that stayed in employment for at least a year based on their initial income bracket when they first exited to employment



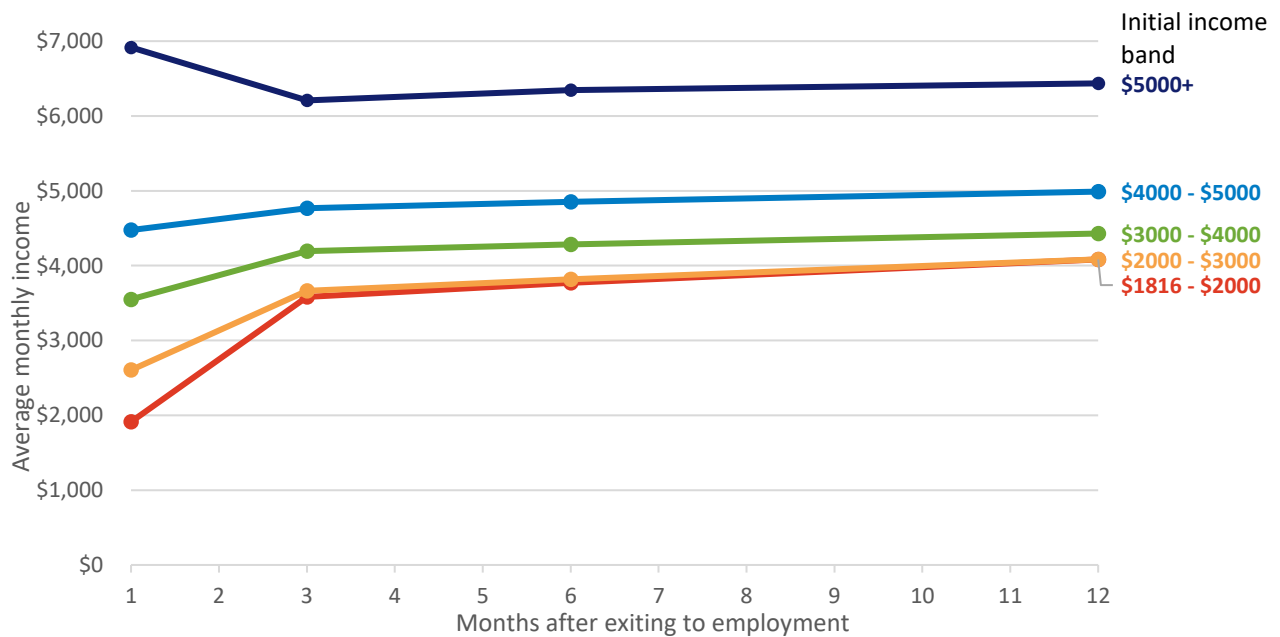
⁸ For more information on Jobs Online, see: [Jobs Online | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz)

⁹ For more information on business confidence see the Quarterly Survey of Business Opinion: [NZIER's QSBO shows signs of capacity pressures easing in the New Zealand economy - Quarterly Survey of Business Opinion, April 2023](https://www.nzier.org.nz)

For those who stayed in employment, their incomes grew regardless of what their starting income was

On average, people who entered into employment with a relatively low starting income had the greatest growth in their income. This could be due to many factors including people working more hours or changing roles over that first year after their exit.

Figure 6: Average monthly income (NZD) for people who exited to employment in the year to June 2022 and stayed in employment for at least a year, by initial income at exit



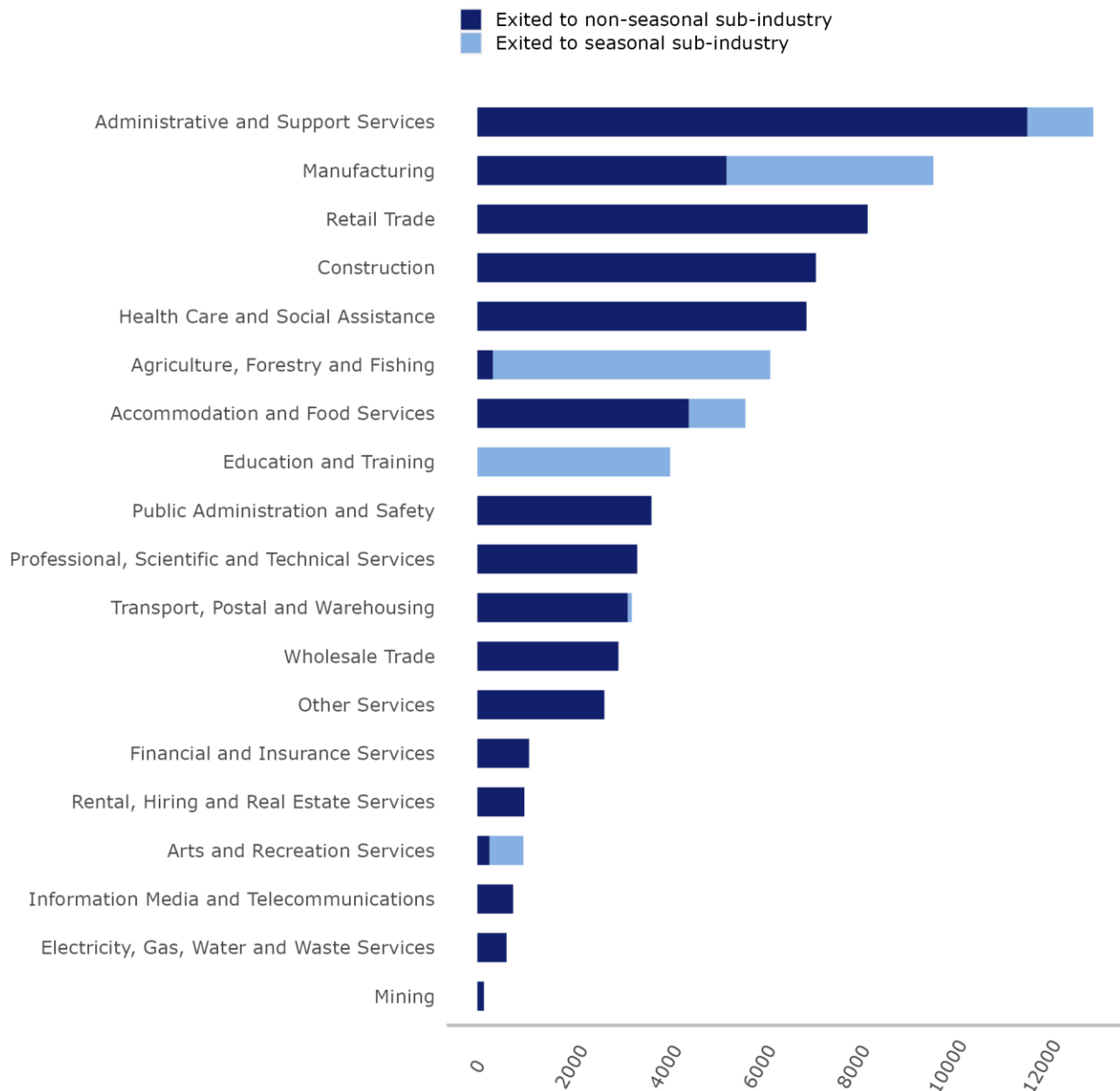


Outcomes for different exit destinations

Note that this analysis can only determine the industry someone was employed in and not the nature, skill level or job security of their work.

Exits into employment

Figure 7: Number of people who exited into employment, by industry they entered into, and whether it was a seasonal or non-seasonal sub-industry, in the year ended June 2022



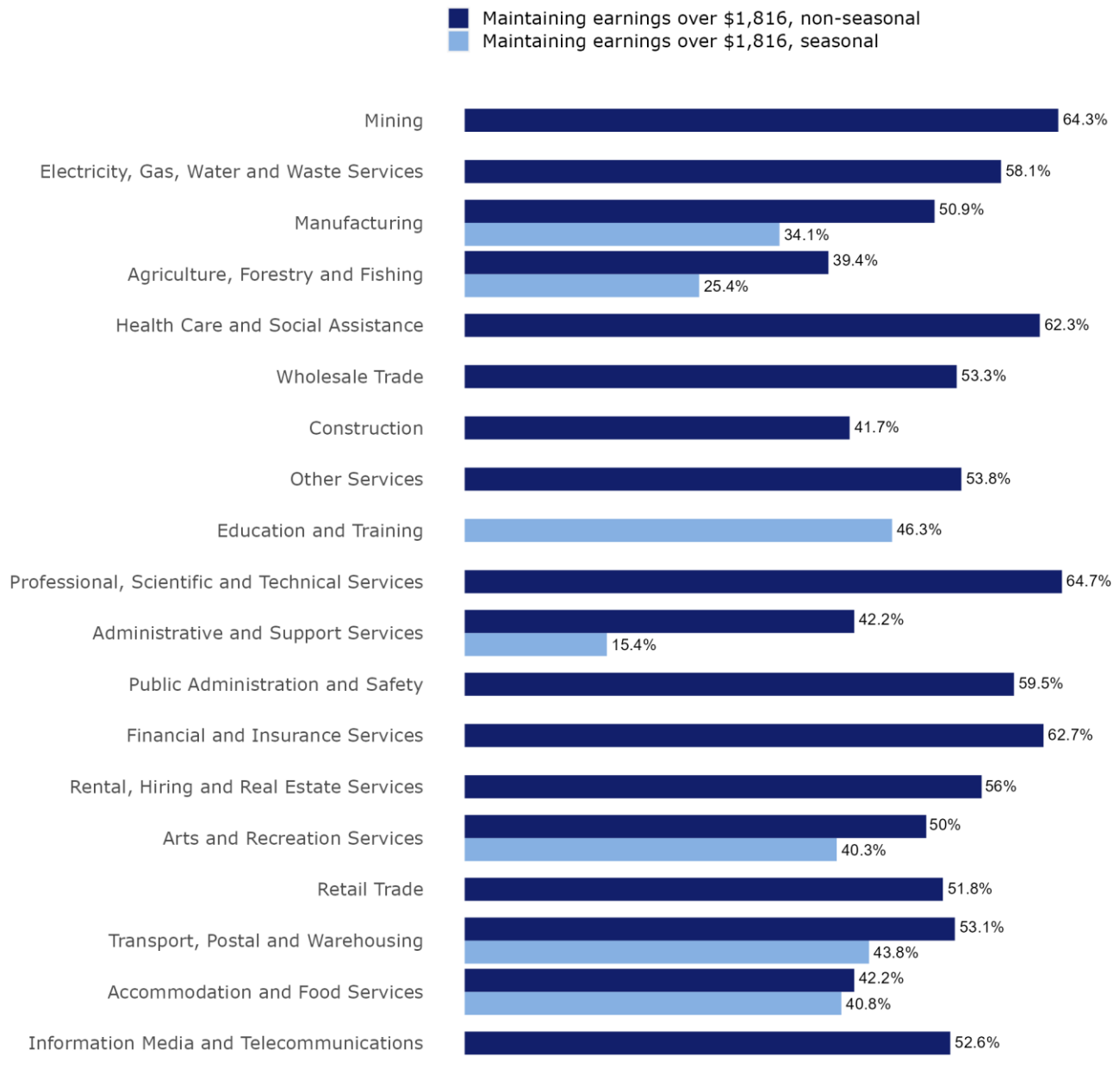


The three most common industries people were employed into from the benefit system were:

- Administrative and Support Services (13,100 or 15.9 percent of exits into employment). This has increased from the year ended June 2021 (when there were 12,700 or 14.6 percent of exits into employment).
- Manufacturing (9,700 or 11.7 percent of exits into employment). This has decreased from the year ended June 2021 (when there were 10,400 or 12 percent of exits into employment).
- Retail Trade (8,400 or 10.2 percent of exits into employment). This has increased from the year ended June 2021 (when there were 8,000 or 9.2 percent of exits into employment).



Figure 8: Proportion of people who maintained earnings over \$1,816 each month for at least a year after they exited into employment, by industry they entered, and whether it was a seasonal or non-seasonal sub-industry, in the year ended June 2022



Please note that this figure only includes industries that at least 50 people exited into.

Despite the Administrative and Support Services, and Manufacturing industries being the most common industries people were employed into once leaving the benefit system they did not have the highest employment sustainability rates in the year to June 2022. The employment sustainability rates of these industries were 38.5 percent, and 42.7 percent respectively, while the overall employment sustainability rate was 47 percent.



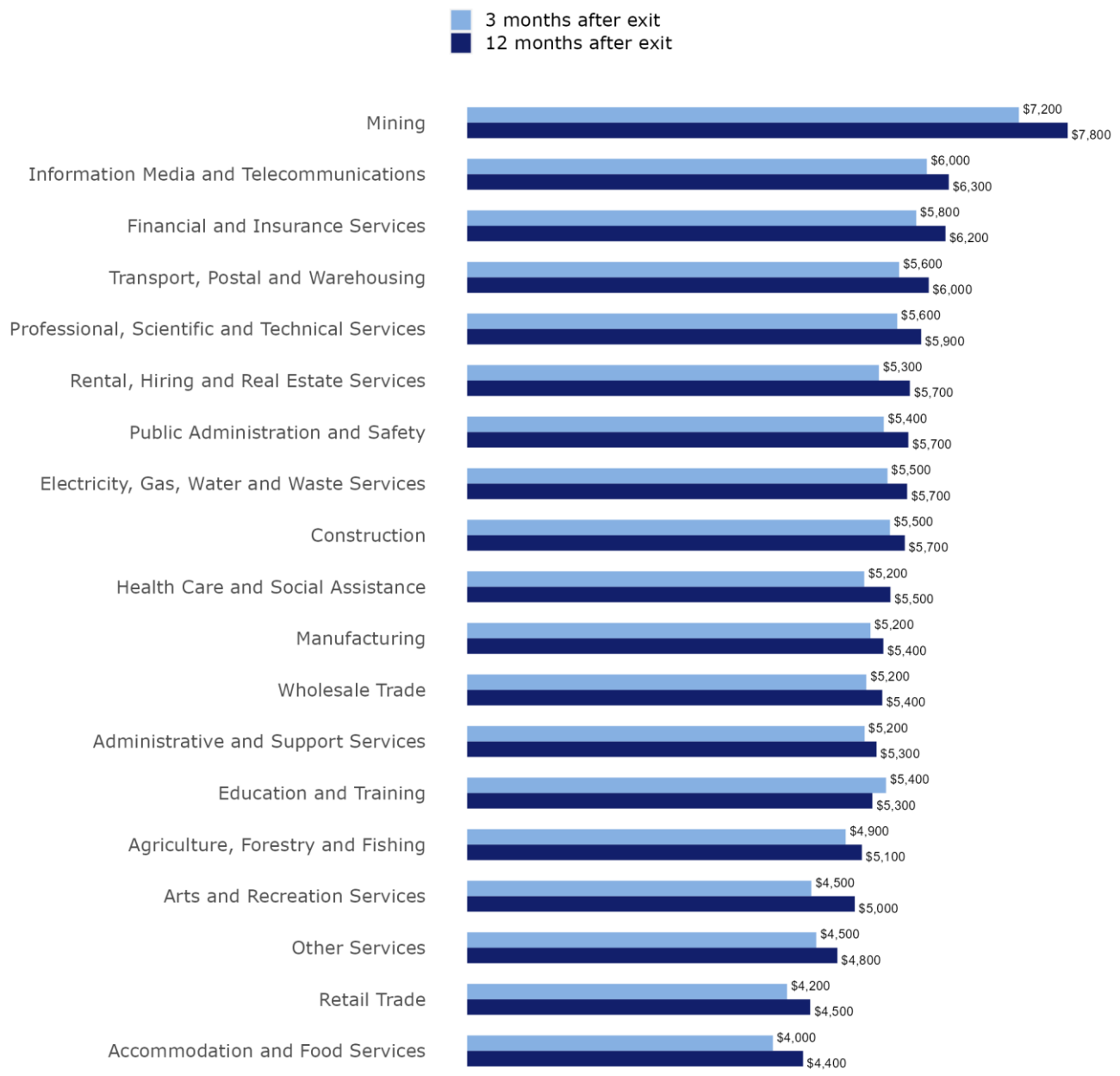
The industries with the highest employment sustainability rates were 'Professional, Scientific and Technical Services' (64.7 percent), 'Mining' (64.3 percent) and 'Health Care and Social Assistance' (62.3 percent). These three industries made up 12.7 percent of all exits into employment.

Some of the differences between industries with a high employment sustainability and industries with a low sustainability were likely due to the number of people who exit into seasonal sub-industries within different industries. Generally, a smaller proportion of people who exited into a seasonal sub-industry¹⁰ sustained their employment after a year compared to their non-seasonal counterparts.

¹⁰ For a list of industries that were defined as having a seasonal sub-industry and more information on how seasonal sub-industries were defined, please see the technical guide:
<https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>



Figure 9: Average monthly employment income (NZD) at 3-months and 12-months for people who stayed in their employment for at least a year



Please note that this figure only includes industries that at least 50 people stayed in employment for at least a year.

People with the highest incomes a year after exiting into employment had entered the following industries in the year ended June 2022:

- Mining (0.2 percent of exits to employment), with a monthly income of \$7,800 at 12-months after exiting.
- Information Media and Telecommunications (0.9 percent of exits to employment), with a monthly income of \$6,300 at 12-months after exiting.



- Financial and Insurance Services (1.3 percent of exits to employment), with a monthly income of \$6,200 at 12-months after exiting.

While the above industries have high incomes, they only made-up 2.4 percent of exits into employment.

Generally, the industries people more commonly exit into tend to have lower monthly incomes.

For example, the average monthly income (at 12-months) for the top three industries people exited into, for the year ended June 2022 were:

- Administrative and Support Services had an average monthly income of \$5,300.
- Manufacturing had an average monthly income of \$5,400.
- Retail Trade had an average monthly income of \$4,500.

Exits into tertiary education¹¹

There has been a long-term decrease in the proportion of people moving into tertiary education since 2014, except for the year ended June 2021. In the year ended June 2022, this longer-term trend continued, where fewer people exited into tertiary education compared to previous years. In the year ended June 2022, 6 percent of people who exited benefit moved into tertiary training. In the year ended June 2014 9 percent exited to tertiary training.

In the year to June 2022:

- Overall, exits into tertiary education (including full-time and part-time) made up 6 percent of all exits, compared to 8.8 percent in the previous year.
- Around 58.5 percent of people who enrolled in a tertiary education course had remained off benefit after a year. This may be because many tertiary courses are longer than a year, so people are likely to remain off benefit for longer as they complete their course.

To take into consideration that many tertiary courses are longer than a year, we can look back three years, as that is the typical length of a Bachelor's Degree.

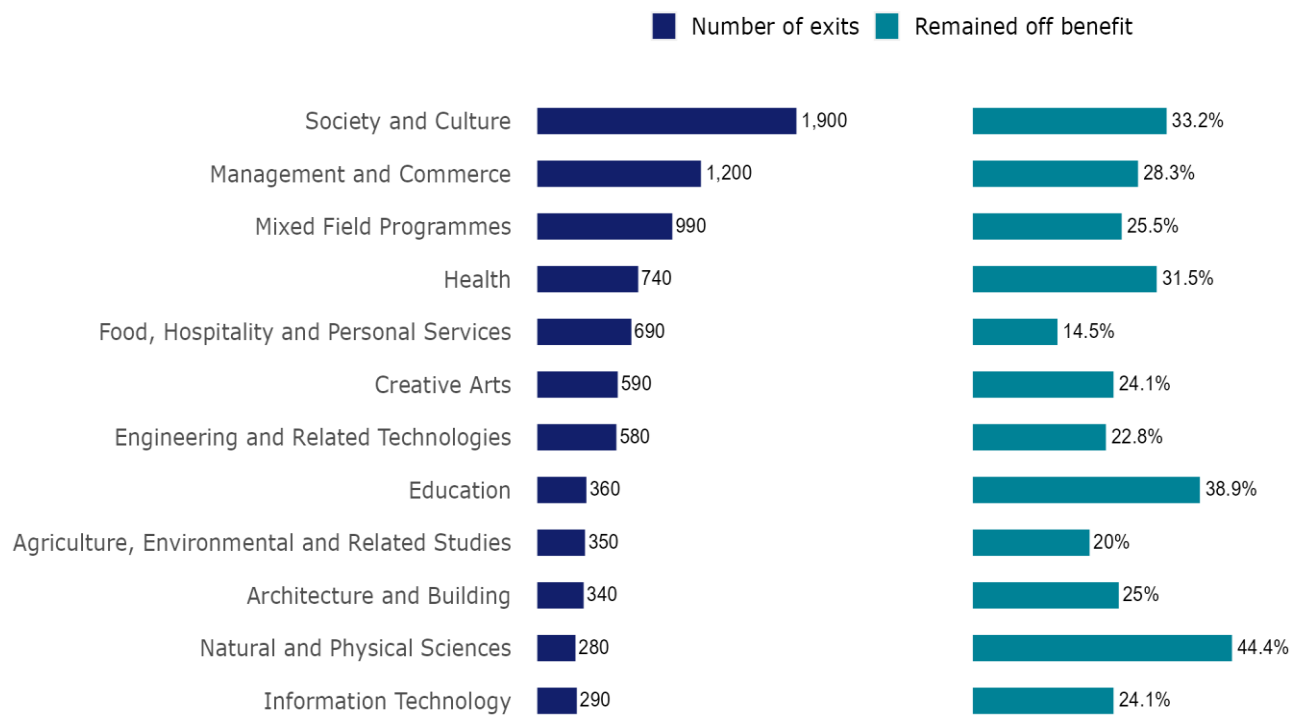
¹¹ Tertiary education courses range from transition (school to work) programmes through to postgraduate study and research. For more information in how tertiary fields of study are classified please see the New Zealand Standard Classification of Education (NZSCED) at www.educationcounts.govt.nz/data-services/code-sets-and-classifications/new_zealand_standard_classification_of_education_nzsced



Figure 10: Exits into tertiary education in the year ended June 2020, by course type

Left graph: The number of people who exited into tertiary education.

Right graph: The proportion of people who remained off benefit for at least **three years** after their exit.



For those that exited a main benefit and enrolled into a tertiary education course in the year ended June 2020:

- 'Society and Culture'¹², 'Management and Commerce'¹³ and 'Mixed Field Programmes'¹⁴ had the highest number of enrolments with each making up 22.9 percent, 14.4 percent and 11.9 percent of enrolments.

¹² Society and Culture Programmes include the following: Political Science and Policy Studies; Studies in Human Society; Human Welfare Studies and Services; Behavioural Science; Law; Justice and Law Enforcement; Librarianship, Information Management and Curatorial Studies; Language and Literature; Philosophy and Religious Studies; Economics and Econometrics; Sports and Recreation; and Other Society and Culture.

¹³ Management and Commerce Programmes include: Accountancy; Business and Management; Sales and Marketing; Tourism; Office Administration; Banking, Finance and Related Fields; and Other Management and Commerce.

¹⁴ Mixed Field Programmes are programmes providing multi-field education. They include: General Education Programmes; Social Skills Programmes; Employment Skills Programmes; and Other Mixed Field Programmes.



- However, a higher proportion of people remained off benefit after three years if they enrolled in the course types 'Natural and Physical Sciences'¹⁵ (44.4 percent), 'Education' (38.9 percent) and 'Society and Culture' (33.2 percent). These course types had the highest proportion of people remain off benefit after three years, but few people had enrolled in two out of three of these courses. People who enrolled in these course types made up 3.4 percent, 4.3 percent and 22.9 percent of all exits into tertiary education respectively.
- Overall, 27.8 percent of people who had enrolled in a tertiary course in June 2020 had remained off benefit after three years.

We can look even further back to gain a long-term view and to understand what happened to people after they have had time to complete their tertiary course. For those that exited a main benefit and enrolled into a tertiary education course in the year ended June 2019:

- 'Society and Culture', 'Management and Commerce' and 'Mixed Field Programmes' had the highest number of enrolments with each making up 21.1 percent, 15.6 percent and 13.3 percent of enrolments.
- 'Education', 'Natural and Physical Sciences' and 'Health' had the highest proportion of people who remained off a main benefit for four years after their exit (32.4 percent, 28.3 percent and 26 percent, respectively).
- Of those who were employed after they had enrolled in a tertiary qualification, those who enrolled in 'Health', 'Information Technology'¹⁶ and 'Architecture and Building'¹⁷ had the highest monthly incomes and on average were earning \$4,800, \$4,400 and \$4,300 respectively, four years (i.e., in their 48th month) after their exit.

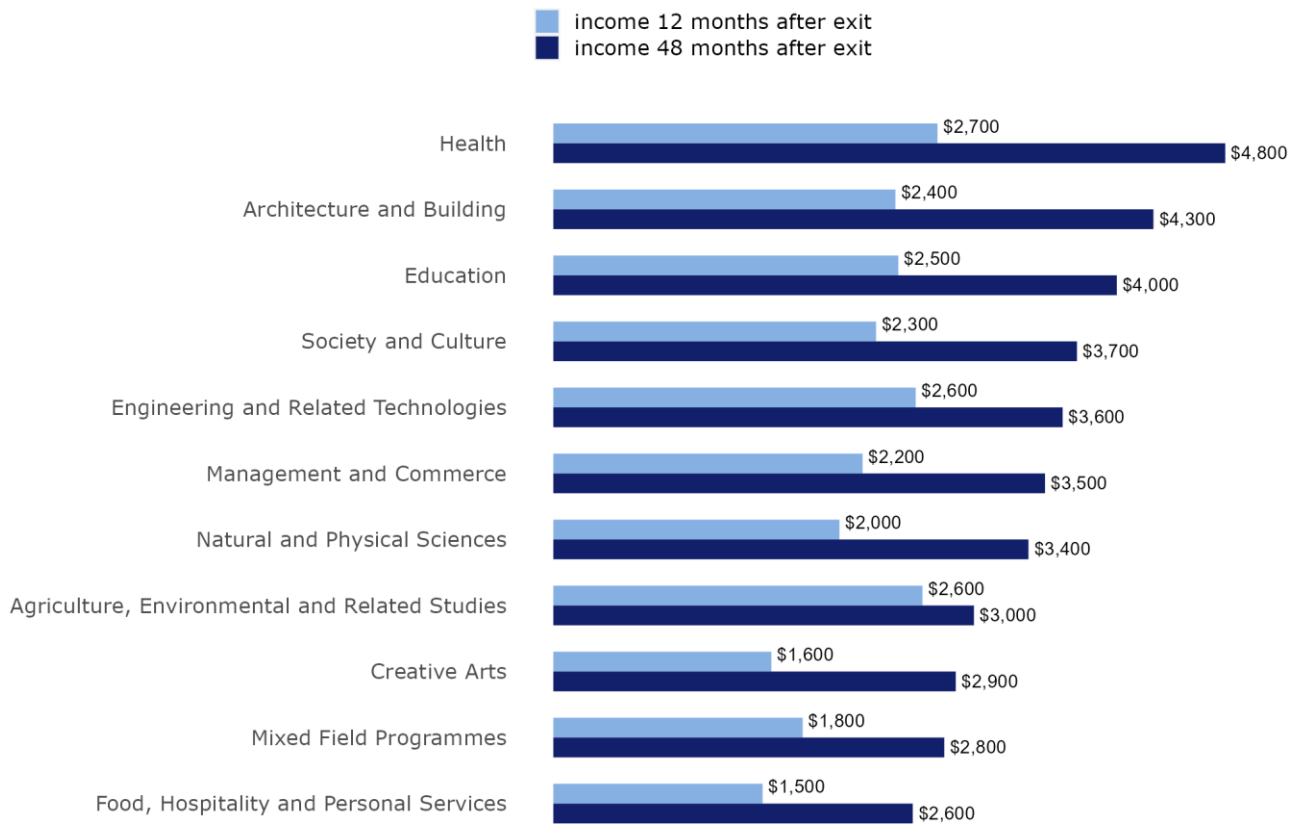
¹⁵ Natural and Physical Sciences includes: Mathematical Sciences; Physics and Astronomy; Chemical Sciences; Earth Sciences; Biological Sciences; and Other Natural and Physical Sciences.

¹⁶ Information Technology is the study of processing and transmitting information by various technologies including computing, telecommunications, and microelectronics.

¹⁷ Architecture and Building is the study of the art, science and techniques involved in designing, constructing, adapting and maintaining public, commercial, industrial and residential structures and landscapes.



Figure 11: Average monthly employment income for those who exited into tertiary education in the year ended June 2019 and remained off benefit for four years, by course type



Please note that this figure only includes industries where at least 50 people stayed in employment for at least a year.



Exits into targeted/industry training

Targeted/industry training courses are generally linked to a job (e.g., apprenticeships).

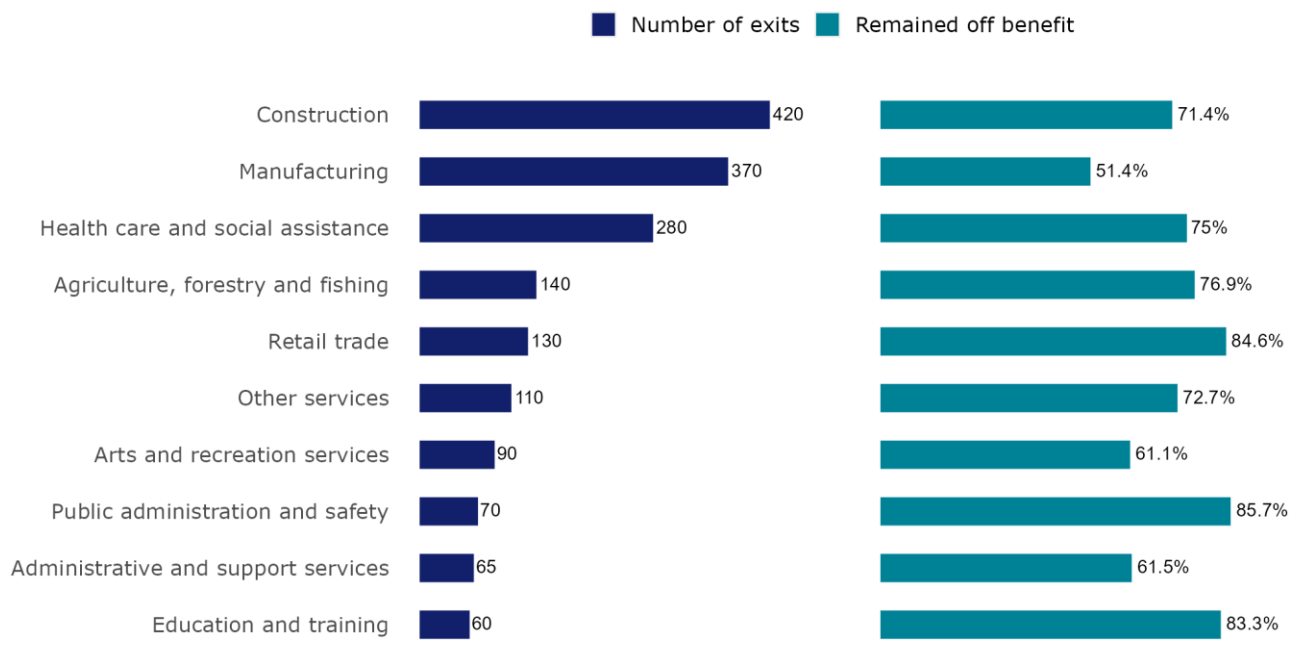
Exits to targeted/industry training courses made up only 2,000 exits in the year to June 2022. This is a small fraction of total exits (1.5 percent). Given these numbers are relatively small, care should be used when interpreting these results.

Please note that the graphs in this section only includes course types that at least 50 people exited into.

Figure 12: Exits into an industry/training course in the year ended June 2022, by course type

Left graph: The number of people who exited into an industry/training course.

Right graph: The proportion of people who remained off benefit for at least a year after their exit.



Please note that this figure only includes course types that at least 50 people exited into.

In the year ended June 2022:

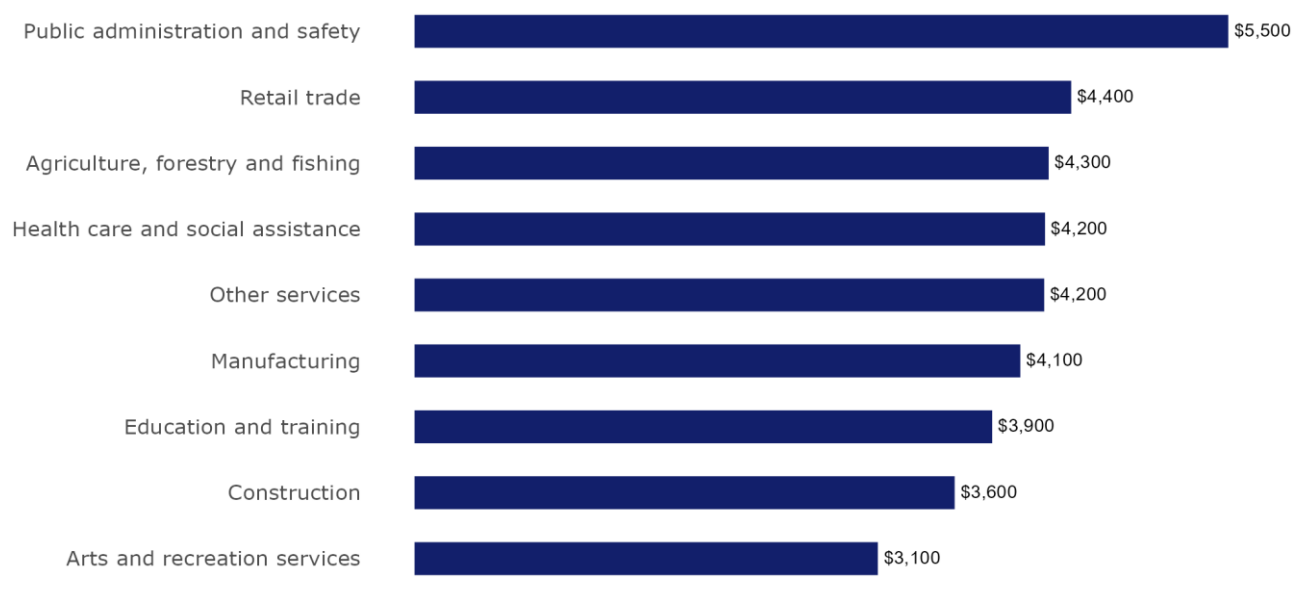
- 'Construction' made up 23.7 percent of exits into targeted/industry training with 71.4 percent remaining off benefit after a year.
- 'Manufacturing' made up 20.9 percent of exits into targeted/industry training with 51.4 percent remaining off benefit after a year.
- 'Health Care and Social Assistance' made up 15.8 percent of exits into targeted/industry training with 75 percent remaining off benefit after a year.



Some of the industries that people commonly begin an industry/training course in, tend to have a smaller proportion of people remain off benefit. This could be due to the range of roles within each industry. For example, the Manufacturing industry includes roles such as packaging, seafood processing and fruit processing which belong to seasonal sub-industries. Generally, people who enter into a seasonal sub-industry are less likely to stay in employment compared to their non-seasonal counterparts.

Overall, there was a decrease in the proportion of all exits that went into an industry/training course, 1.5 percent in 2022 down from 1.8 percent in 2021. However, there was a sizable increase in people beginning a 'Health care and social assistance' course which made up 15.8 percent of all targeted/industry training exits in the year ended June 2022 compared to 11 percent of exits the previous year. This likely reflected the extra demand for workers in the area.

Figure 13: Average monthly income one year after exit for people who entered into an industry/targeted training course in the year ended June 2022, and sustained employment for at least a year, by industry/targeted training type



Please note that this figure only includes industries where at least 50 people stayed in employment for at least a year.

For people who exited into a targeted/industry training course type in the year ended June 2022 and stayed in employment for one year:

- Those who had begun a 'Public Administration and Safety' course type had a monthly average income at 12-months of \$5,500.
- Those who had begun a 'Retail Trade' course type had a monthly average income at 12-months of \$4,400.

While these two course types had the highest incomes after 12-months they only made-up 10 percent of exits into an industry/targeted training course.



Differences across demographic groups

Gender¹⁸

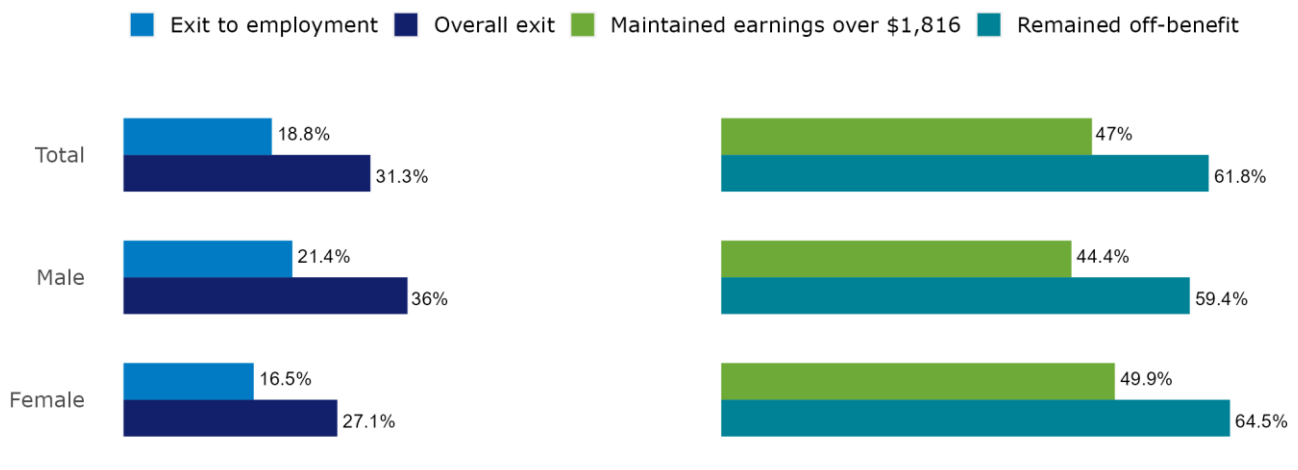
Figure 14: Exits off a main benefit in the year ended June 2022, by gender

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The proportion of people who remained off a main benefit for at least a year after exiting.



- Men were more likely to exit off a main benefit (27.1 percent for women vs 36 percent for men).
- Men were more likely to exit into employment (16.5 percent for women vs 21.4 percent for men).
- Women were more likely to stay in employment (49.9 percent for women vs 44.4 percent for men) a year after exiting into employment.

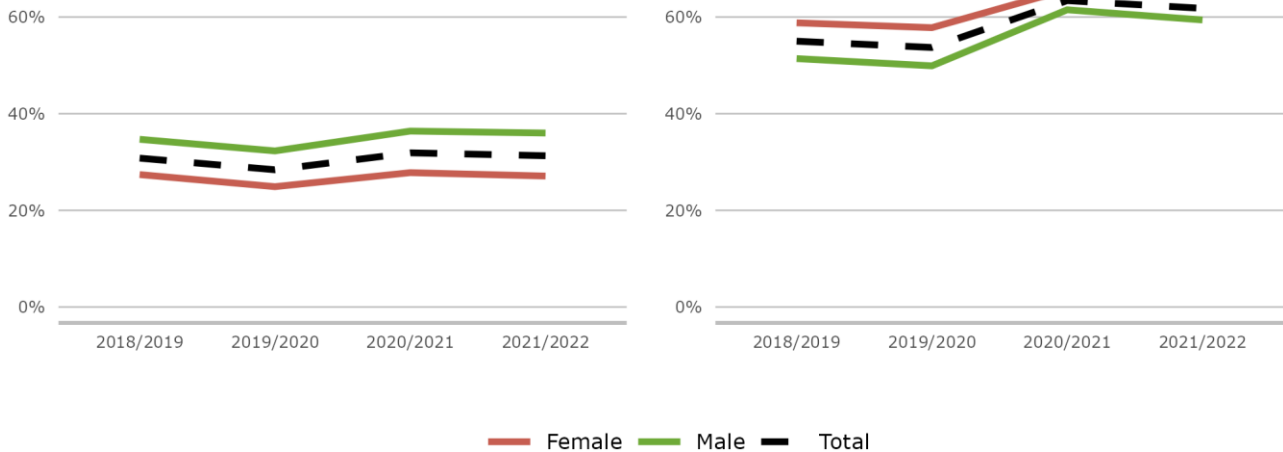
¹⁸ The IDI currently uses sex and gender interchangeably to derive this variable. Until recently most IDI datasets have not contained gender diverse data. As more datasets include expressions of gender diversity, they will be able to be included within this analysis.



Figure 15: Exits off a main benefit, by gender

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.



The proportion of men and women who stayed in employment decreased slightly in 2021/22 compared to the previous year. The decrease was larger for men than it was for women.

Figure 16: Exits off a main benefit into employment from a main benefit, by gender

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

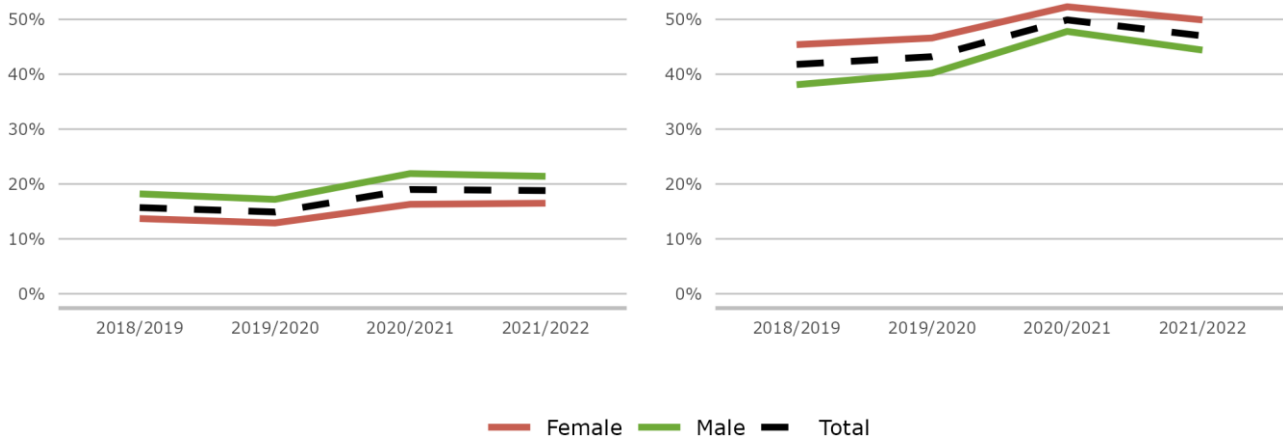




Figure 17: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by gender



For people who were able to stay in employment for a year, men tended to earn more than women over the first 12 months and this gap is relatively consistent over that time after exit.

Some of the difference between men and women in these results may be linked to the type of benefit they were supported by before their exit, the types of industries they tend to enter, and the type of employment they gain. For example, women may be more likely to enter part-time roles if they have childcare responsibilities.

Age

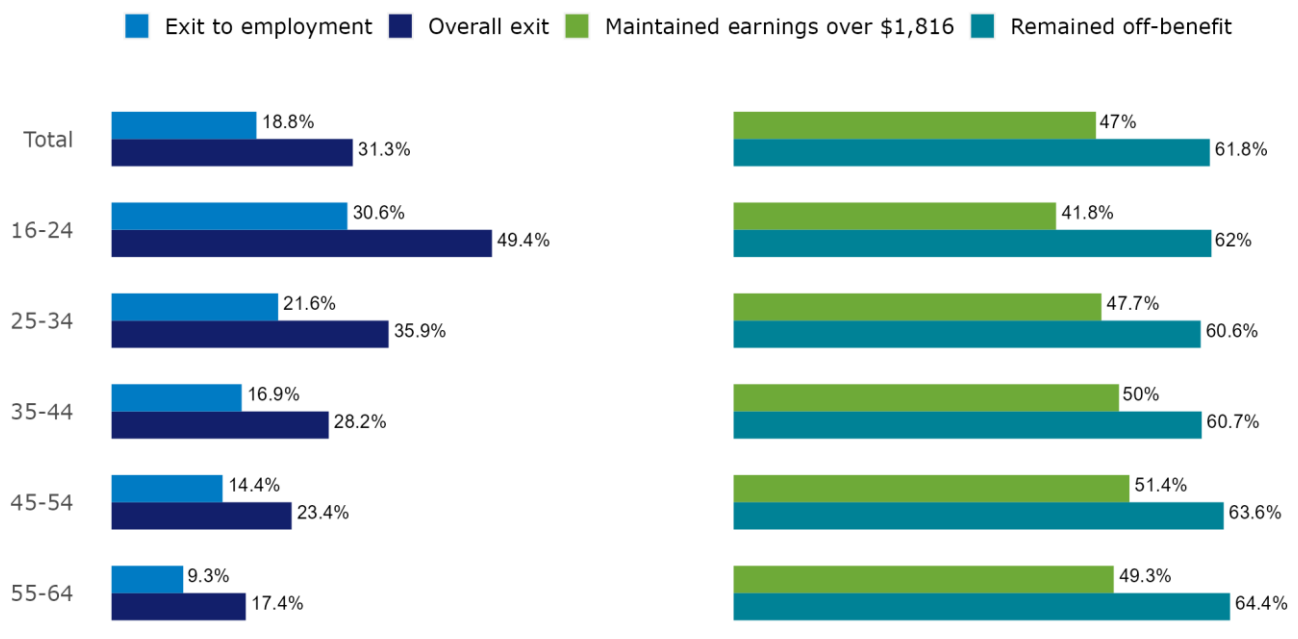
Figure 18: Exits off a main benefit in the year ended June 2022, by age at exit

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The proportion of people who remained off a main benefit for at least a year after exiting.





In the year ended June 2022:

- People aged 16-24 years old had the highest likelihood of exiting into employment (30.6 percent).
- The likelihood of exiting into employment tends to decrease as people age. For example, 55-64-year-olds had a lower likelihood of exiting into employment (9.3 percent).
- However, people aged 16-24 years old had the lowest proportion of people stay in employment (41.8 percent).

Generally, young people tend to be the ones who come onto a benefit when economic conditions weaken and then subsequently leave when conditions improve. Young people also tend to be in less secure employment compared to older people so are less likely to stay in employment.

Figure 19: Exits off a main benefit, by age

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.

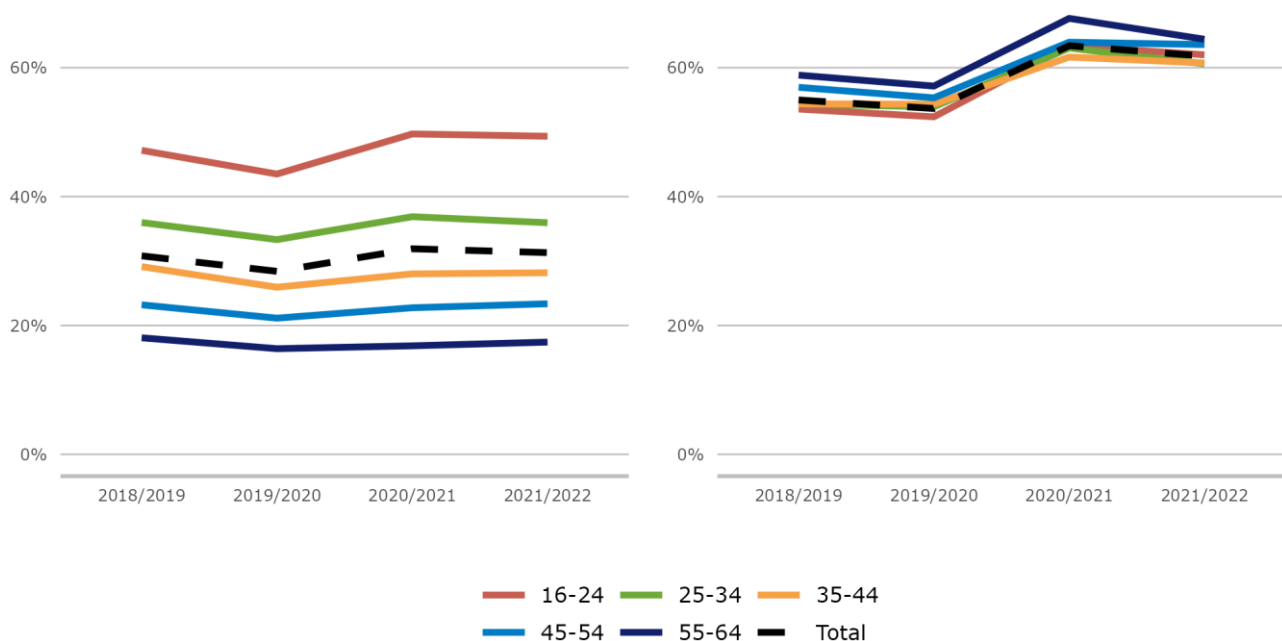
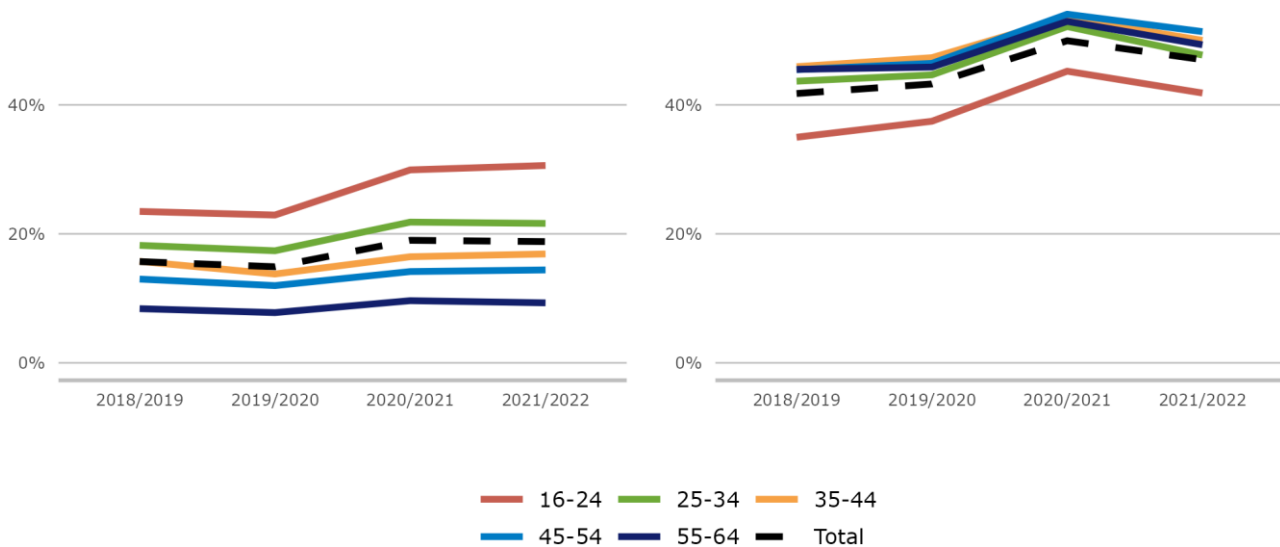




Figure 20: Exits off a main benefit into employment from a main benefit, by age

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.



A lower proportion of people who exited into employment in the year ended June 2022 stayed in employment compared to those who exited in the previous year. This decrease was seen across all age groups.

Figure 21: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by age



For young people who had stayed in employment for at least a year, they tended to have earned less than their older counterparts. Young people tend to have lower skill levels, more casual employment arrangements, and less previous work experience which can all influence the pay they receive.

Ethnicity¹⁹

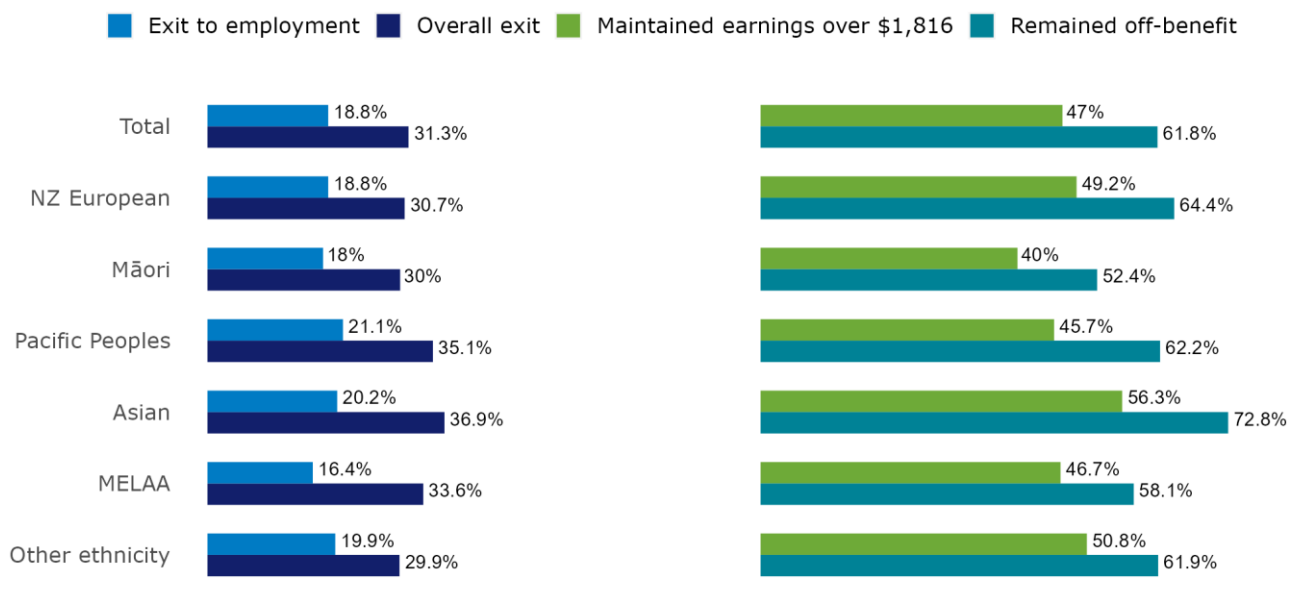
Figure 22: Exits off a main benefit in the year ended June 2022, by total ethnicity

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The proportion of people who remained off a main benefit for at least a year after exiting.



In the year ended June 2022:

- Asian people had the highest likelihood of exiting the benefit system (36.9 percent).
- Pacific Peoples had the second highest likelihood of exiting the benefit system (35.1 percent).
- New Zealand European people had an 18.8 percent likelihood of exiting to employment; it was 18 percent for Māori.

Of those who exited to employment in the year to June 2022:

- Asian people had the highest proportion of people stay in employment after a year (56.3 percent)

¹⁹ 'Total response' ethnicity is used throughout this report. This means that when a person has more than one ethnicity they are counted once within each ethnicity group (e.g., a person who identifies as both Māori and NZ European will be included in both ethnicities). Please see the technical document for more details: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>

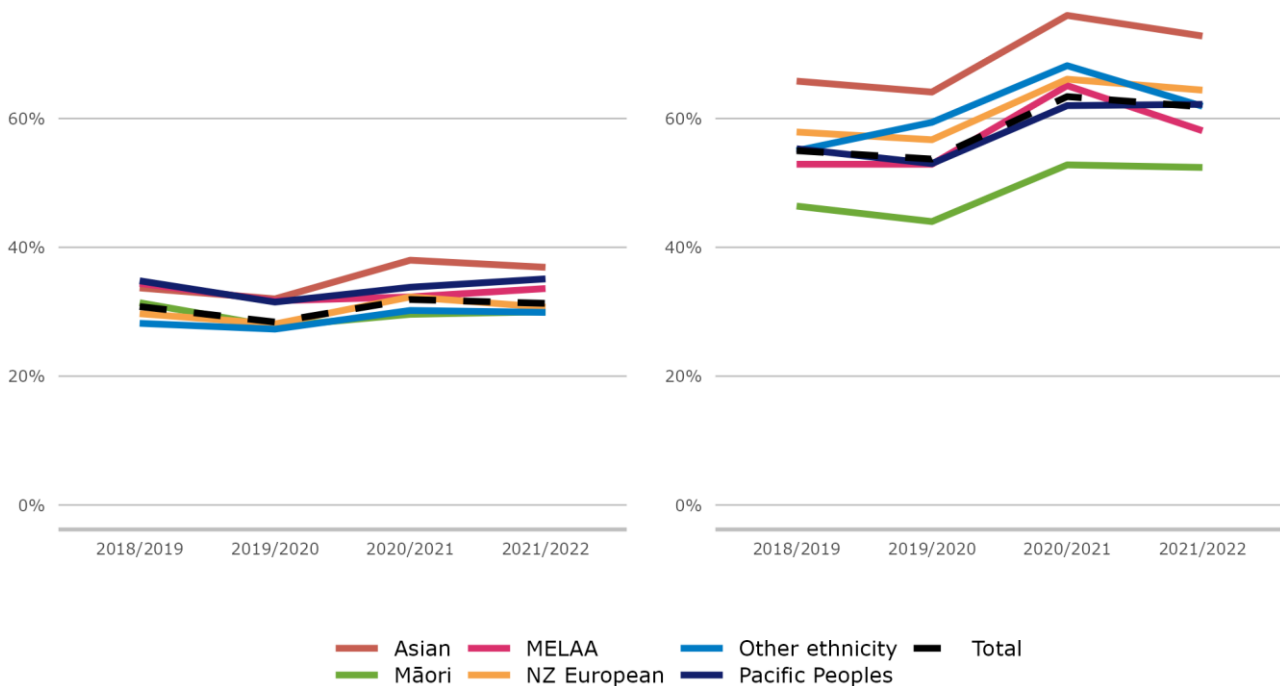


- NZ European had the second highest proportion of people stay in employment after a year (49.2 percent)

Figure 23: Exits off a main benefit, by total ethnicity

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.



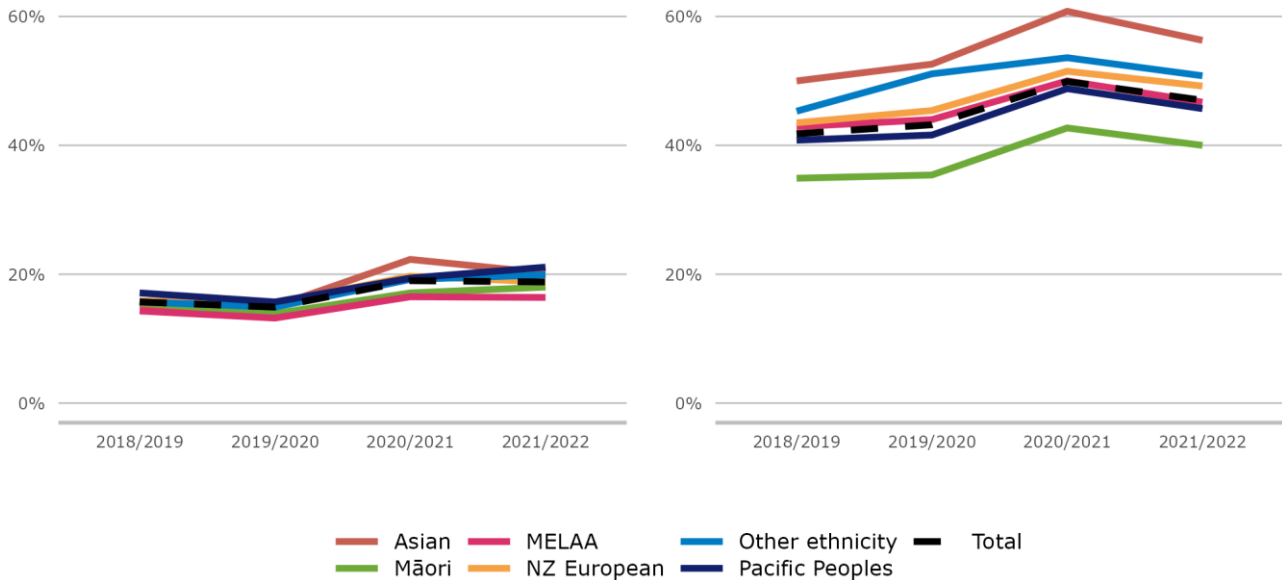
- The likelihood of leaving a main benefit decreased from 32.3 percent in the year ended June 2021 to 30.7 percent in the year ended June 2022 for New Zealand European people.
- The likelihood of leaving a main benefit increased from 29.6 percent in the year ended June 2021 to 30 percent in the year ended June 2022 for Māori people.
- The likelihood of leaving a main benefit increased from 33.8 percent in the year ended June 2021 to 35.1 percent in the year ended June 2022 for Pacific Peoples.
- The likelihood of leaving a main benefit increased from 32.3 percent in the year ended June 2021 to 33.6 percent in the year ended June 2022 for MELAA people.
- The likelihood of leaving a main benefit decreased from 38 percent in the year ended June 2021 to 36.9 percent in the year ended June 2022 for Asian people.



Figure 24: Exits into employment from a main benefit, by total ethnicity

Left graph: The likelihood of exiting into employment.

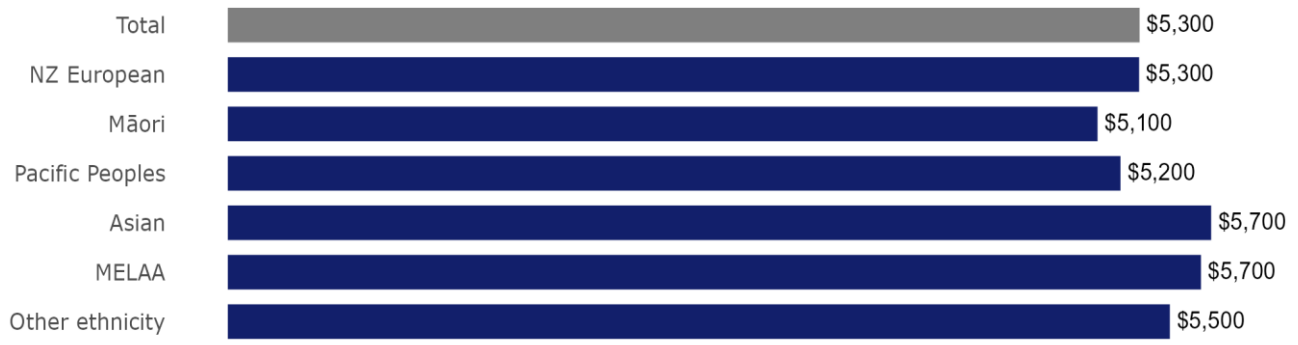
Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.



- The likelihood of exiting into employment for NZ Europeans decreased from 19.7 percent in the year ended June 2021 to 18.8 percent in the year ended June 2022.
- The likelihood of exiting into employment for Māori increased from 17.1 percent in the year ended June 2021 to 18 percent in the year ended June 2022.
- The likelihood of exiting into employment for Pacific Peoples increased from 19.4 percent in the year ended June 2021 to 21.1 percent in the year ended June 2022.
- People who identified as Asian had the highest proportion of people stay in employment for a year (56.3 percent).
- People who identified as Māori had the lowest proportion of people staying in employment for a year (40 percent).



Figure 25: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by total ethnicity



For people who stayed in work for at least a year after they exited into employment, people who identify as Asian have the highest monthly earnings (\$5,700) compared to all other ethnicities. Māori and Pacific Peoples earned less on average compared to other ethnicities at \$5,100 and \$5,200 respectively.

Education

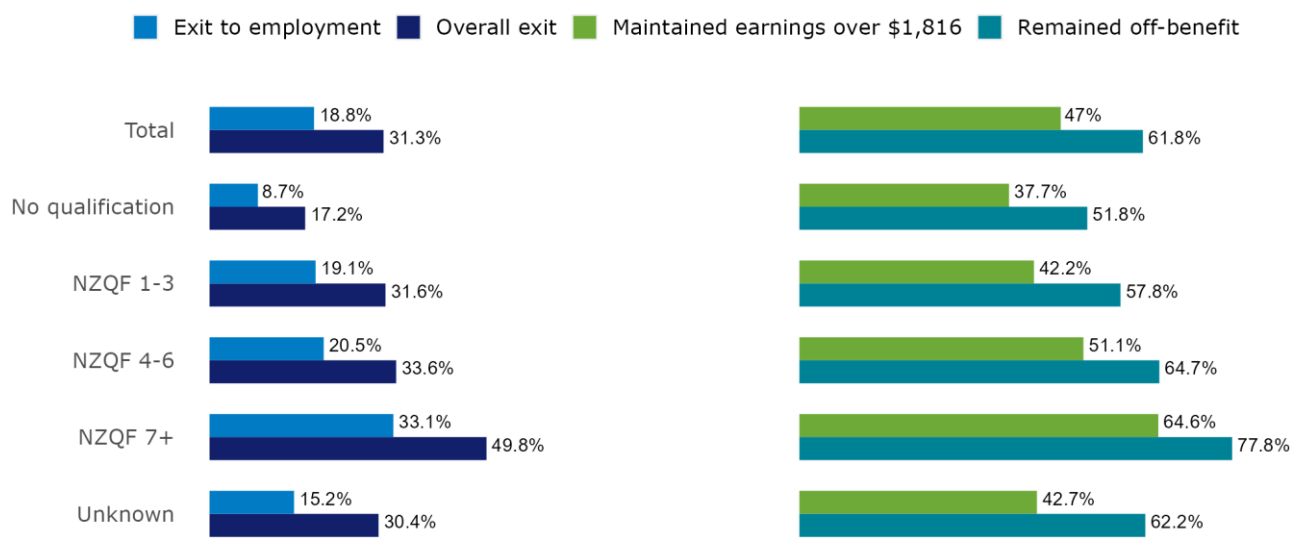
Figure 26: Exits off a main benefit in the year ended June 2022, by highest qualification at exit

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The proportion of people who remained off a main benefit for at least a year after exiting.



Overall, people with higher levels of education were more likely to leave the benefit system for employment, remain off benefit and stay in employment a year after their exits. People with higher New Zealand Qualification Framework (NZQF²⁰) levels (i.e., NZQF 7+ which is the equivalent of at least a Bachelor's degree) tend to qualify for a wider range of jobs making it easier for them to find and stay in employment.

In the year to June 2022:

- People with a highest qualification of NZQF 7+ had the highest likelihood of exiting a main benefit (49.8 percent).
- People with a highest qualification of NZQF 7+ had the highest proportion of people remain off benefit after a year (77.8 percent)

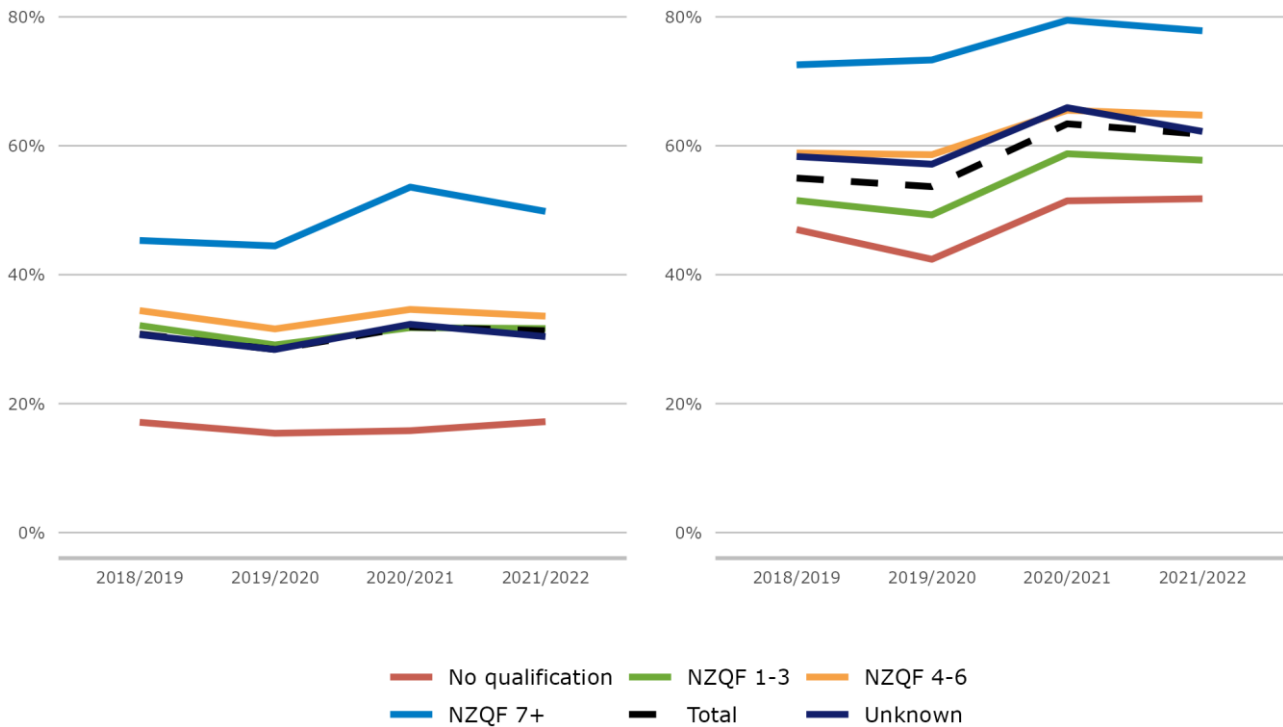
²⁰ The NZQF is divided into 10 levels. Levels 1 to 3 align with NCEA certificates, levels 4 to 6 – certificates and diplomas, level 7 – Bachelor's Degrees, Graduate Diplomas and Certificates, level 8 – Postgraduate Diplomas and Certificates plus Bachelor Honours Degrees, level 9 – Masters Degrees, and level 10 – Doctoral Degrees. For more details on NZQF levels please see: www.nzqa.govt.nz/qualificationsstandards/understanding-nzqf/#heading2-2



Figure 27: Exits off a main benefit, by highest qualification at exit

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.



People with the highest qualification of NZQF 7+ had the greatest likelihood of leaving a main benefit. This decreased from 53.6 percent in the year ended June 2021 to 49.8 percent in the year ended June 2022.

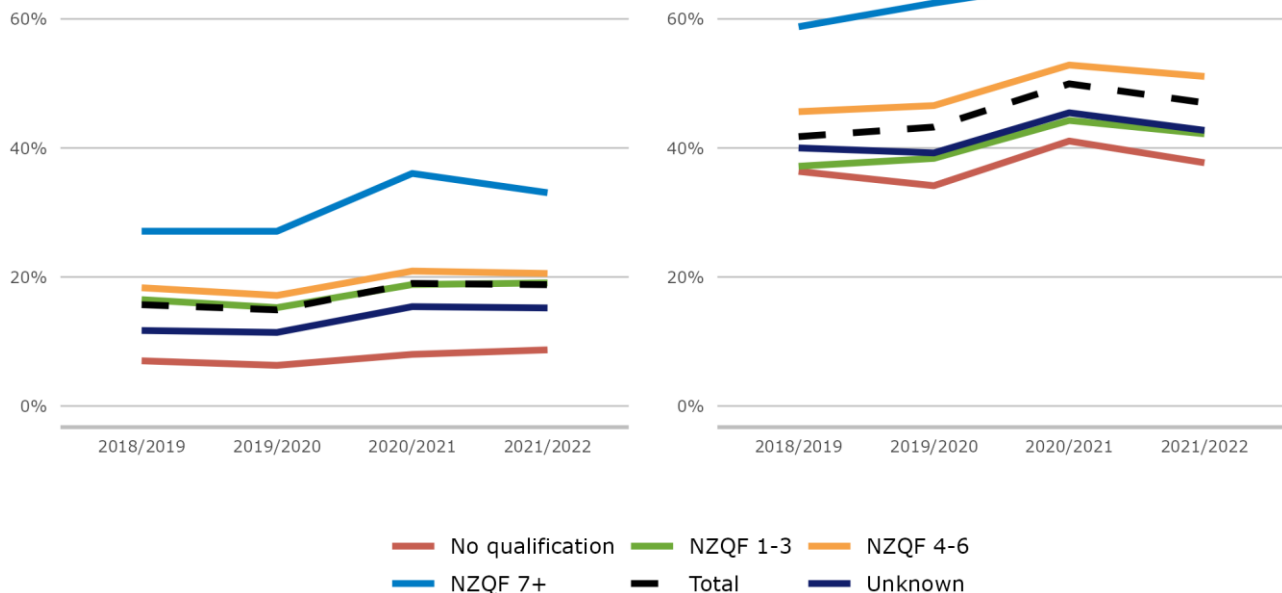
People with a highest qualification of NZQF 7+ had the highest proportion of people remain off benefit a year after they exited. This decreased from 79.5 percent in the year ended June 2021 to 77.8 percent in the year ended June 2022.



Figure 28: Exits into employment from a main benefit, by highest qualification at exit

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.



Generally, people with higher qualifications tended to be more likely to exit into employment and stay in employment at higher rates.

People with the highest qualification of NZQF 7+ had the greatest likelihood of exiting to employment. This decreased from 36 percent in the year ended June 2021 to 33.1 percent in the year ended June 2022.

People with the highest qualification of NZQF 7+ had the highest proportion of people stay in employment after a year. This decreased from 65.7 percent in the year ended June 2021 to 64.6 percent in the year ended June 2022.

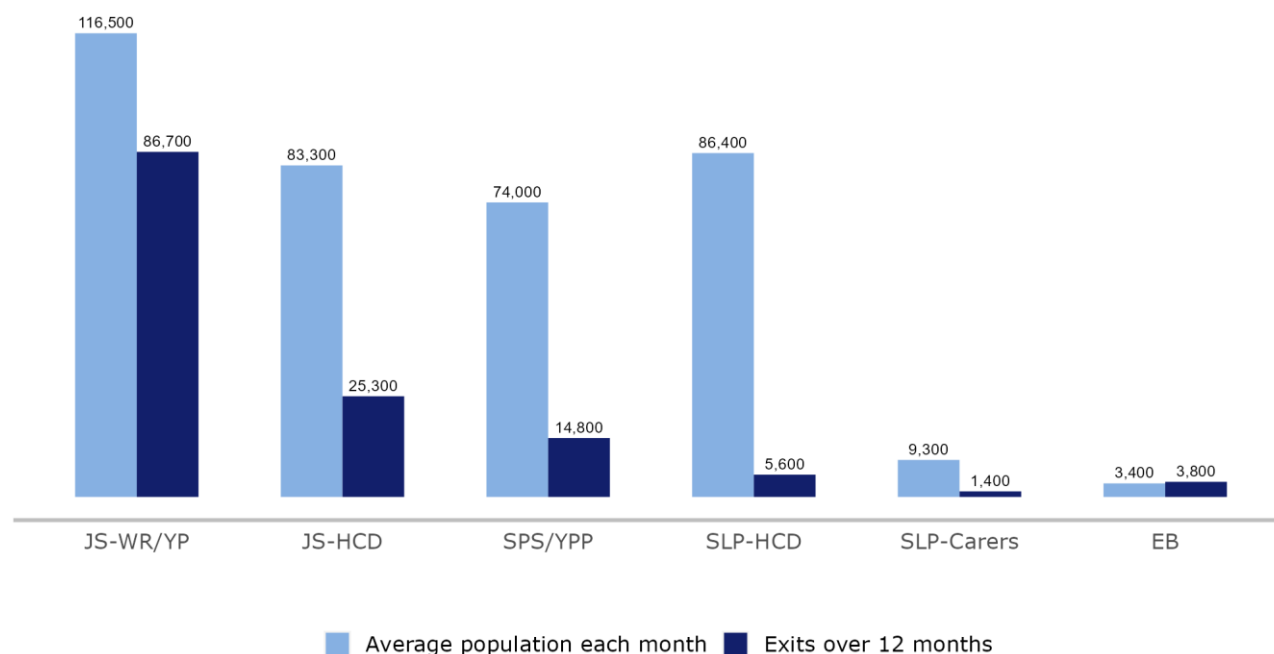
Figure 29: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by highest qualification at exit



On average those that have achieved NZQF Level 7+ when they exited into employment tend to have the highest income 12-months after their exit.

Benefit type

Figure 30: Average number of people on a main benefit each month and number of people who exited a main benefit, year ended June 2022, by benefit type



There were more people supported by the JS-WR/YP benefit in the year ended June 2022 compared to all other main benefit²¹ types. JS-WR/YP also had the highest number of people exit off a main benefit. This is consistent with previous years.

JS – WR/YP clients are required to be available for and take reasonable steps to get a suitable full-time job. As such JS – WR clients have some of the highest likelihoods of exiting of a main benefit compared to other benefit types that have fewer work obligations. For example, Sole Parent Support (SPS) clients are required to look for suitable part-time work if their youngest dependent child is between three and 13 years old.

²¹ Main benefits defined within this report include: Jobseeker Support – Work Ready (JS – WR), Jobseeker Support – Health Condition and Disability (JS – HCD), Emergency Benefit (EB), Youth Payment (YP), Young Parent Payment (YPP) Supported Living Payment – Health Condition and Disabilities (SLP – HCD) and Supported living Payment – Carers (SLP – Carers). The number of people receiving YP and YPP were relatively small, and the number of people leaving these benefits were too small to meaningfully analyse. Therefore, we have combined people on YP with those who are on the JS-WR, and combined those on YPP with those who are on SPS. Further details on the different types of benefit can be found in the technical guide: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/what-happened-to-people-who-left-the-benefit-system.html>



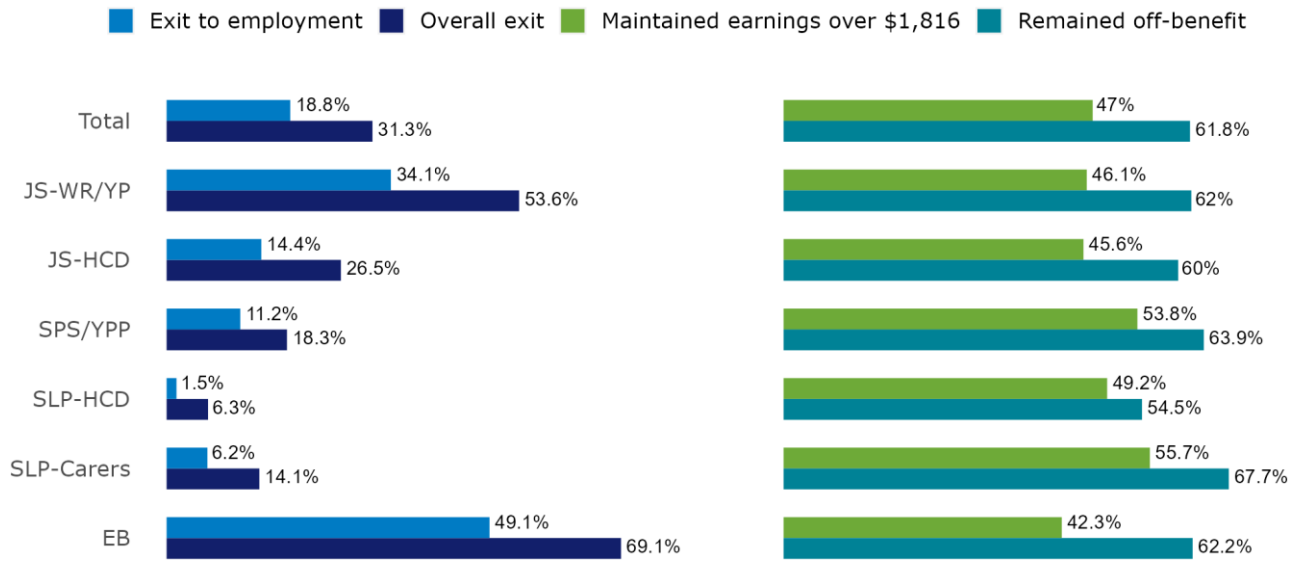
Figure 31: Exits off a main benefit in the year ended June 2022, by benefit type

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The likelihood of exiting a main benefit overall.

The proportion of people who remained off a main benefit for at least a year after exiting.



Clients on an Emergency Benefit have a high likelihood of exiting off a benefit due to the nature of this benefit type. It is only granted to people who cannot earn enough to support themselves and do not qualify for any other benefit type. This is also why they make up a small proportion of the benefit population.

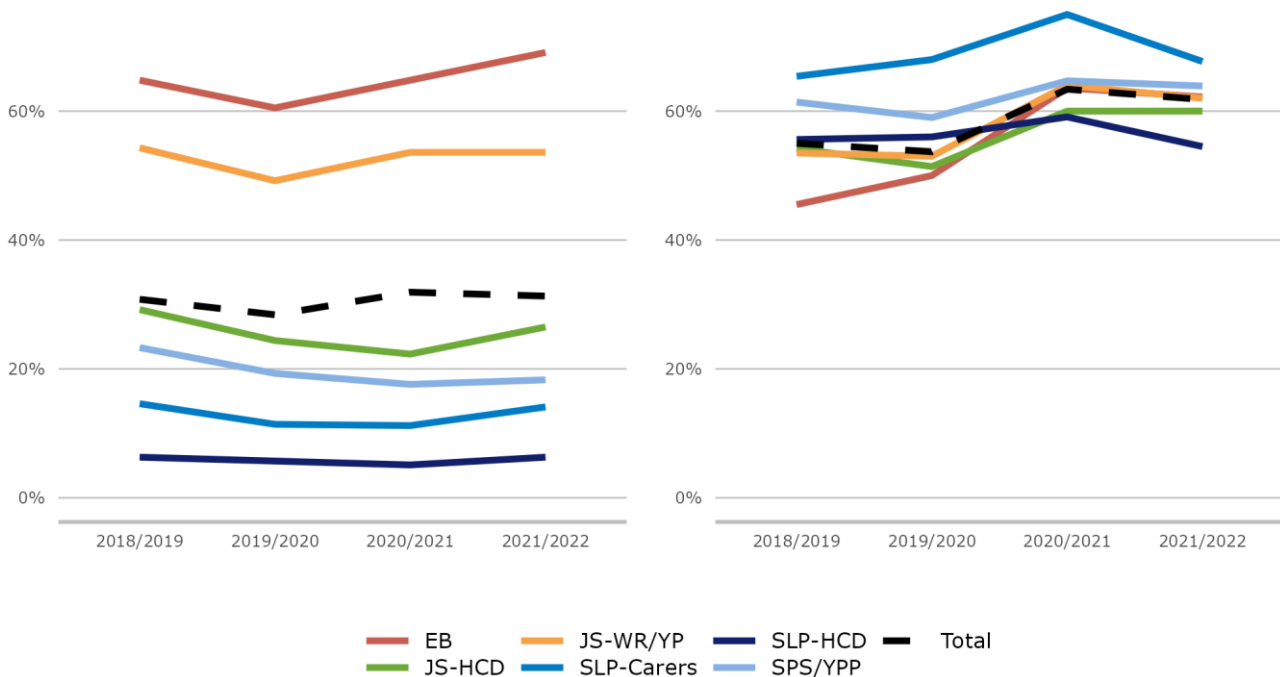
In the year ended June 2022:

- JS-WR/YP clients had the highest likelihoods of exiting into employment (34.1 percent).
- While SPS and SLP – Carers clients had low likelihoods of exiting into employment (at 11.2 percent and 6.2 percent respectively) they had the highest proportion of people stay in employment (at 53.8 percent and 55.7 percent respectively).

Figure 32: Exits off a main benefit over time, by benefit type

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.



Excluding EB, the benefit types with some of the highest likelihoods of exiting a main benefit in the year June 2022 were:

- JS-WR/YP clients who had a 53.6 percent likelihood of leaving a main benefit, which stayed the same at 53.6 percent in the year ended June 2021.
- JS-HCD clients who had a 26.5 percent likelihood of leaving a main benefit, which increased from 22.3 percent in the year ended June 2021.
- SPS/YPP clients who had an 18.3 percent likelihood of leaving a main benefit, which increased from 17.6 percent in the year ended June 2021.

Although the likelihood of leaving a main benefit increased for many benefit types, the overall likelihood of leaving a main benefit decreased from 31.9 percent to 31.3 percent. This is likely due to the compositional shift of benefit clients post COVID-19. During the COVID-19 lockdown, there was an influx of people coming into the benefit system. These people tended to be younger, more educated, and the majority of them were receiving JS-WR benefit.

As the COVID-19 lockdown restrictions eased, there was a faster than expected recovery in the economy with demand for workers increasing shortly after. Many who came into the benefit system during COVID-19 lockdowns left the benefit system once restrictions eased. Therefore, the composition, of people remaining in the benefit system is returning to a similar make-up as it was prior to COVID-19. For example, JS-WR clients made up 36.3 percent of main benefit clients in the year ended June 2021, but this has now dropped to 31.2 percent, similar to the proportion prior to COVID-19.



The benefit types that had the highest proportion of people remain off main benefits a year after they exited in the year ended June 2022 were:

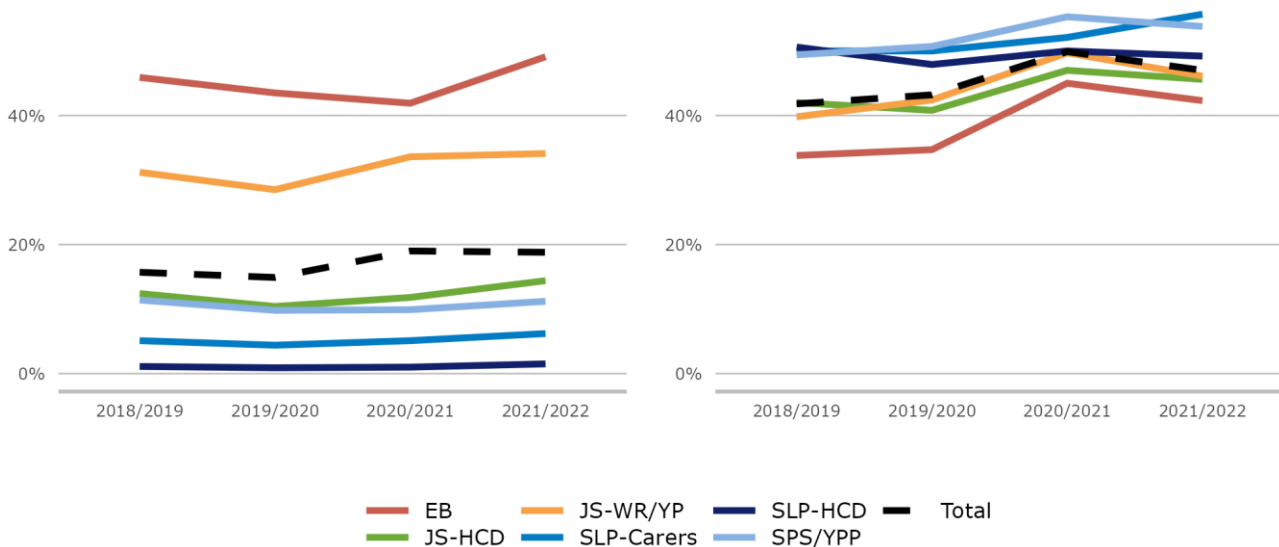
- SLP-Carers clients, of which 67.7 percent had remained off benefit for up to a year. This is a decrease from the year to June 2021 when 75 percent of clients remained off benefit a year after exiting.
- SPS/YPP clients, of which 63.9 percent had remained off benefit for up to a year. This is a decrease from the year to June 2021 when 64.7 percent of clients remained off benefit a year after exiting.
- JS-WR/YP clients, of which 62 percent had remained off benefit for up to a year. This is a decrease from the year to June 2021 when 64 percent of clients remained off benefit a year after exiting.



Figure 33: Exits into employment from a main benefit, by benefit type

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.



The benefit types with some of the highest likelihoods of exiting into employment in the year to June 2022 were:

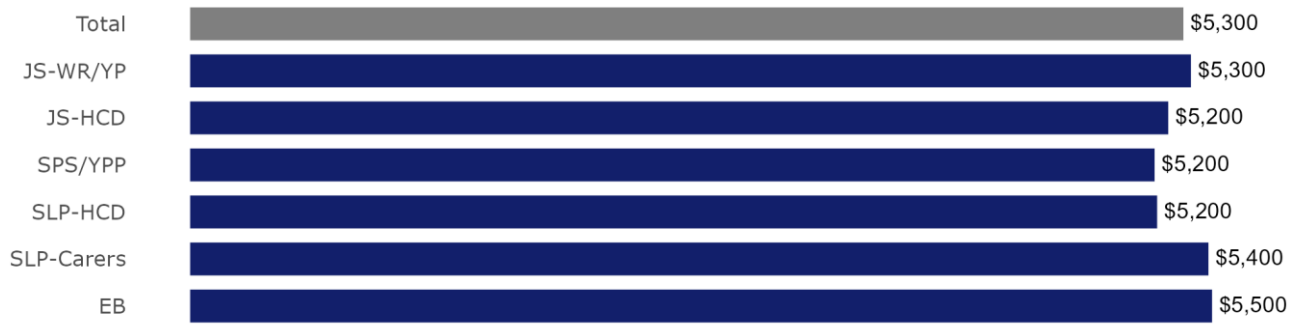
- JS-WR/YP clients who had a 34.1 percent likelihood of exiting into employment, which increased from 33.6 percent in the year ended June 2021.
- JS-HCD clients who had a 14.4 percent likelihood of exiting into employment, which increased from 11.8 percent in the year ended June 2021.
- SPS/YPP clients who had a 11.2 percent likelihood of exiting into employment, which increased from 9.9 percent in the year ended June 2021.

The benefit types that had the highest proportion of people stay in employment a year after exiting into work were:

- SLP-Carers clients who had a 55.7 percent likelihood of stay in employment a year after they exited into work, which increased from 52.1 percent in the year ended June 2021.
- SPS/YPP clients who had a 53.8 percent likelihood of staying in employment a year after they exited into work, which decreased from 55.3 percent in the year ended June 2021.
- SLP-HCD clients who had a 49.2 percent likelihood of staying in employment a year after they exited into work, which decreased from 50 percent in the year ended June 2021.



Figure 34: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by benefit type



SLP-Carers clients who exited into employment in the year ended June 2022 tended to have the highest incomes at 12-months if they had stayed in employment.

Benefit history

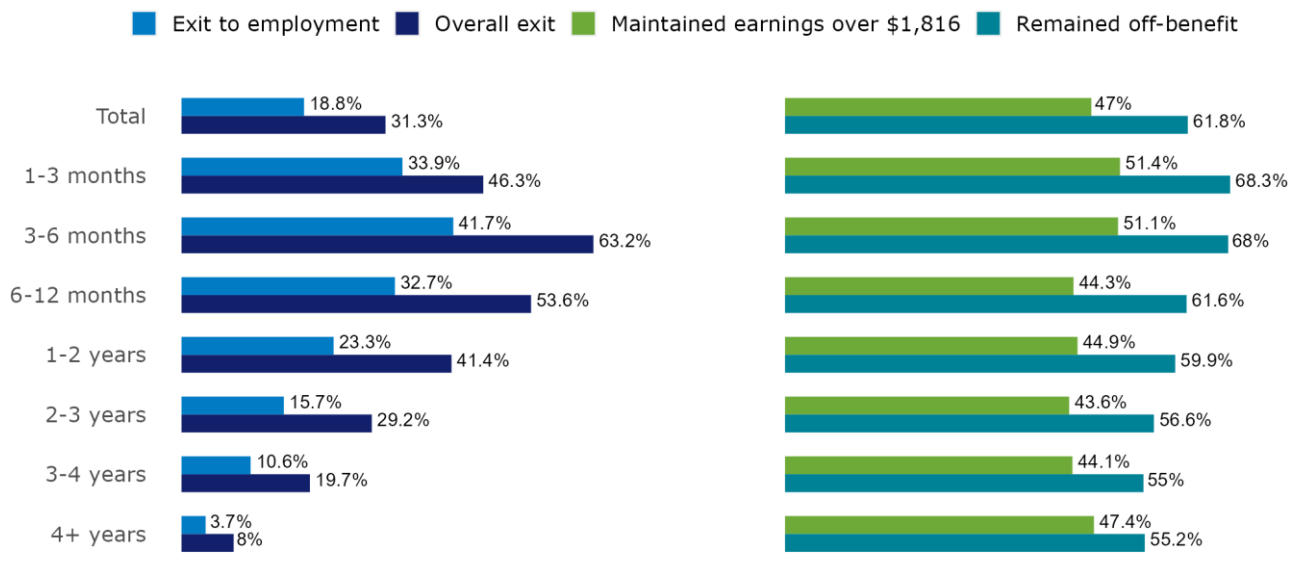
Figure 35: Exits off a main benefit in the year ended June 2022, by time spent on benefit prior to exit

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

The proportion of people who remained off a main benefit for at least a year after exiting.



Overall, the likelihood of leaving a main benefit has decreased more so for people who have spent longer supported by a main benefit. People who have spent more time on a main benefit before their exit tend to also stay in employment at lower rates.

In the year to June 2022:



- People who had spent 3-6 months on a main benefit had the greatest likelihood of exiting a main benefit (63.2 percent).
- People who had spent 3-6 months on a main benefit had the greatest likelihood of exiting into employment (41.7 percent).

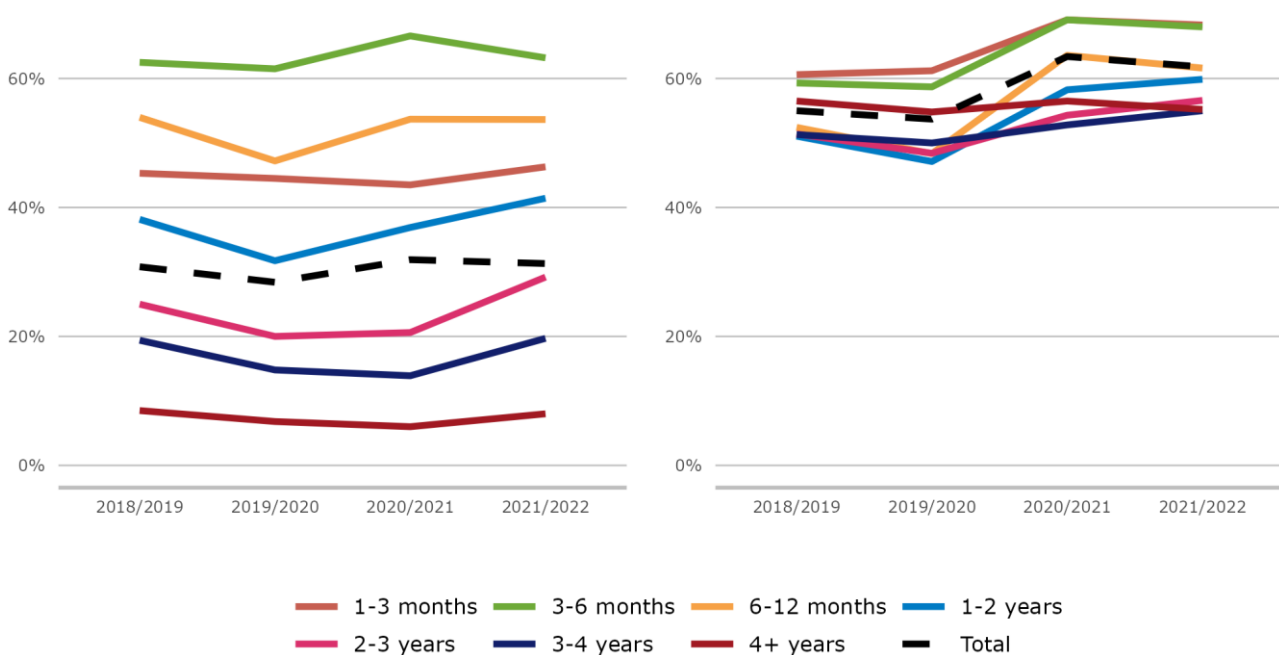
For those who had exited a main benefit:

- The highest proportion of people who remained off benefit after a year, had spent 1-3 months on a main benefit before their exit with 68.3 percent remaining off benefit.
- People who were on a main benefit for 1-3 months before exiting to work had the highest proportion of people stay in employment after a year (51.4 percent).

Figure 36: Exits off a main benefit, by time spent on benefit prior to exit

Left graph: The likelihood of exiting off a main benefit.

Right graph: The proportion of people who remained off benefit for at least a year.



People with the highest likelihood of exiting a main benefit in the year ended June 2022 were those who had been supported for:

- 3-6 months with a 63.2 percent likelihood of exiting. This is a decrease from 66.6 percent in the year ended June 2021.
- 6-12 months with a 53.6 percent likelihood of exiting. This is a decrease from 53.7 percent in the year ended June 2021.
- 1-3 months with a 46.3 percent likelihood of exiting. This is an increase from 43.5 percent in the year ended June 2021.

Generally, a higher proportion of people who have received a main benefit for a shorter length of time remain off benefit after they have exited. However, for people who were supported by a main benefit for less than a year, a smaller proportion of them were able to remain off benefit compared to those who exited in the previous years.

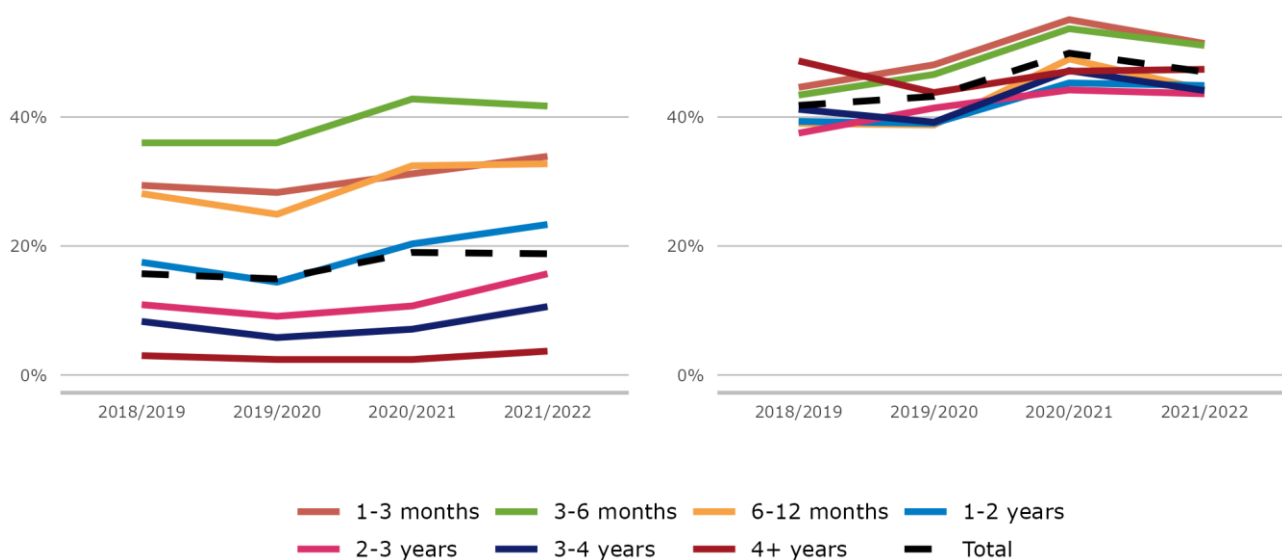
- 68.3 percent of people who were on a main benefit for 1-3 months in the year to June 2022 before their exit, remained off benefit throughout 12 months. This is a decrease from the year to June 2021 (69.1 percent).
- 68 percent of people who were on a main benefit for 3-6 months in the year to June 2022 before their exit, remained off benefit throughout 12 months. This is a decrease from the year to June 2021 (69.1 percent).

For people who were supported by a main benefit between 1 and 4 years, a greater proportion of them were able to remain off benefit compared to those who had exited the previous year.

Figure 37: Exits into employment from a main benefit, by time spent on benefit prior to exit

Left graph: The likelihood of exiting into employment.

Right graph: The proportion who sustained employment earnings of at least \$1,816 each month for at least a year after they exited into employment.



People with the highest likelihood of exiting to employment the year ended June 2022 were those who had been supported for:

- 3-6 months with a 41.7 percent likelihood of exiting to employment. This is a decrease from 42.8 percent in the year ended June 2021.
- 1-3 months with a 33.9 percent likelihood of exiting to employment. This is an increase from 31.2 percent in the year ended June 2021.



- 6-12 months with a 32.7 percent likelihood of exiting to employment. This is an increase from 32.4 percent in the year ended June 2021.

Generally, proportions of people who stay in employment are higher for people who were on a benefit for a shorter time before exiting into work.

- People who were supported by a main benefit for 1-3 months in the year to June 2022 before leaving for work had the highest proportion of people stay in employment (51.4 percent). This is a decrease from the year to June 2021 (55.1 percent).
- People who were supported by a main benefit for 3-6 months in the year to June 2022 before leaving for work had the highest proportion of people stay in employment (51.1 percent). This is a decrease from the year to June 2021 (53.7 percent).

Figure 38: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by time spent on benefit prior to exit



On average people who were on a main benefit for 1-3 months before exiting into work and were able to stay in employment for 12-months, had the highest incomes (\$5,600).



Regional view

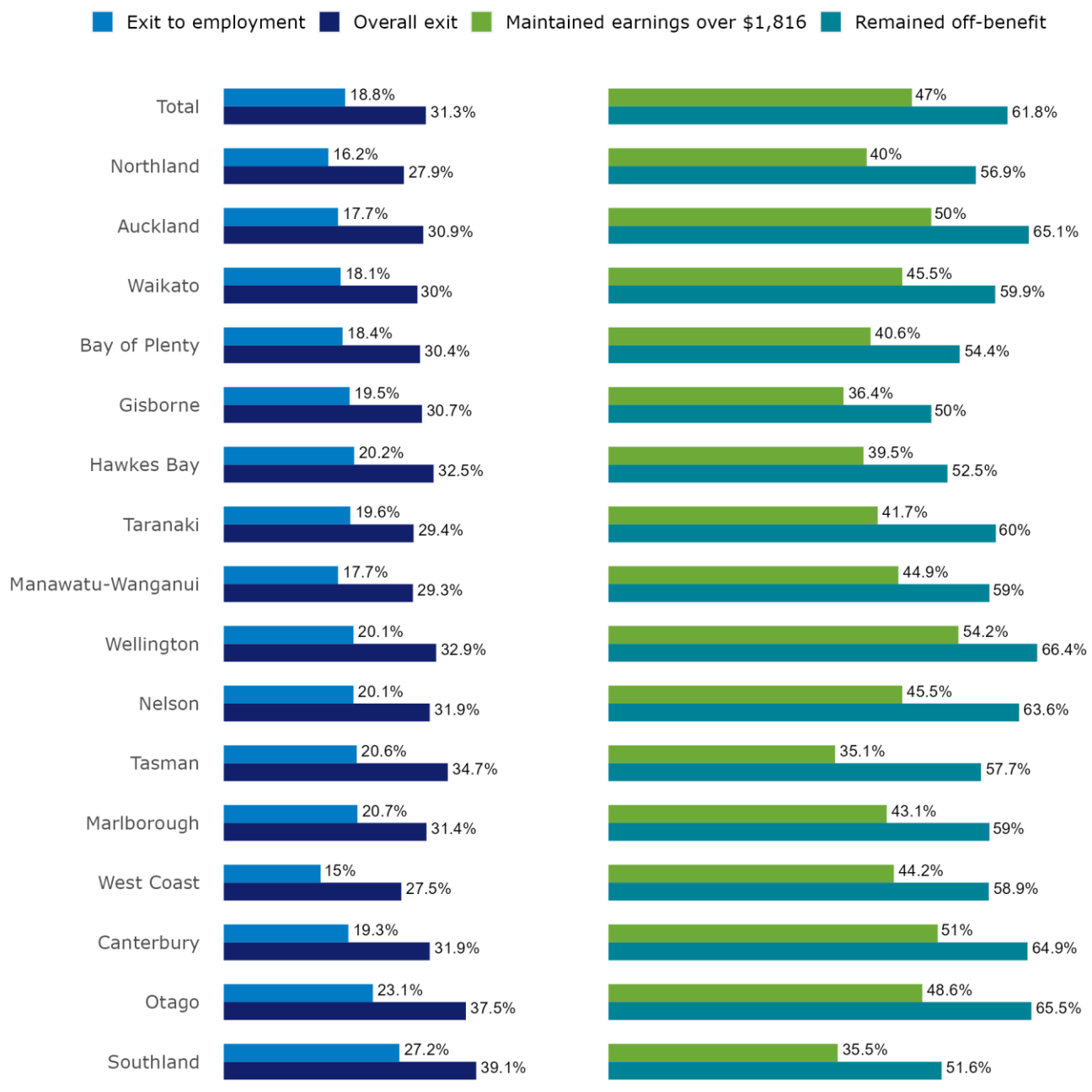
Figure 39: Exits off a main benefit in the year ended June 2022, by region at exit

Left graph: The likelihood of exiting into employment.

The likelihood of exiting a main benefit overall.

Right graph: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment.

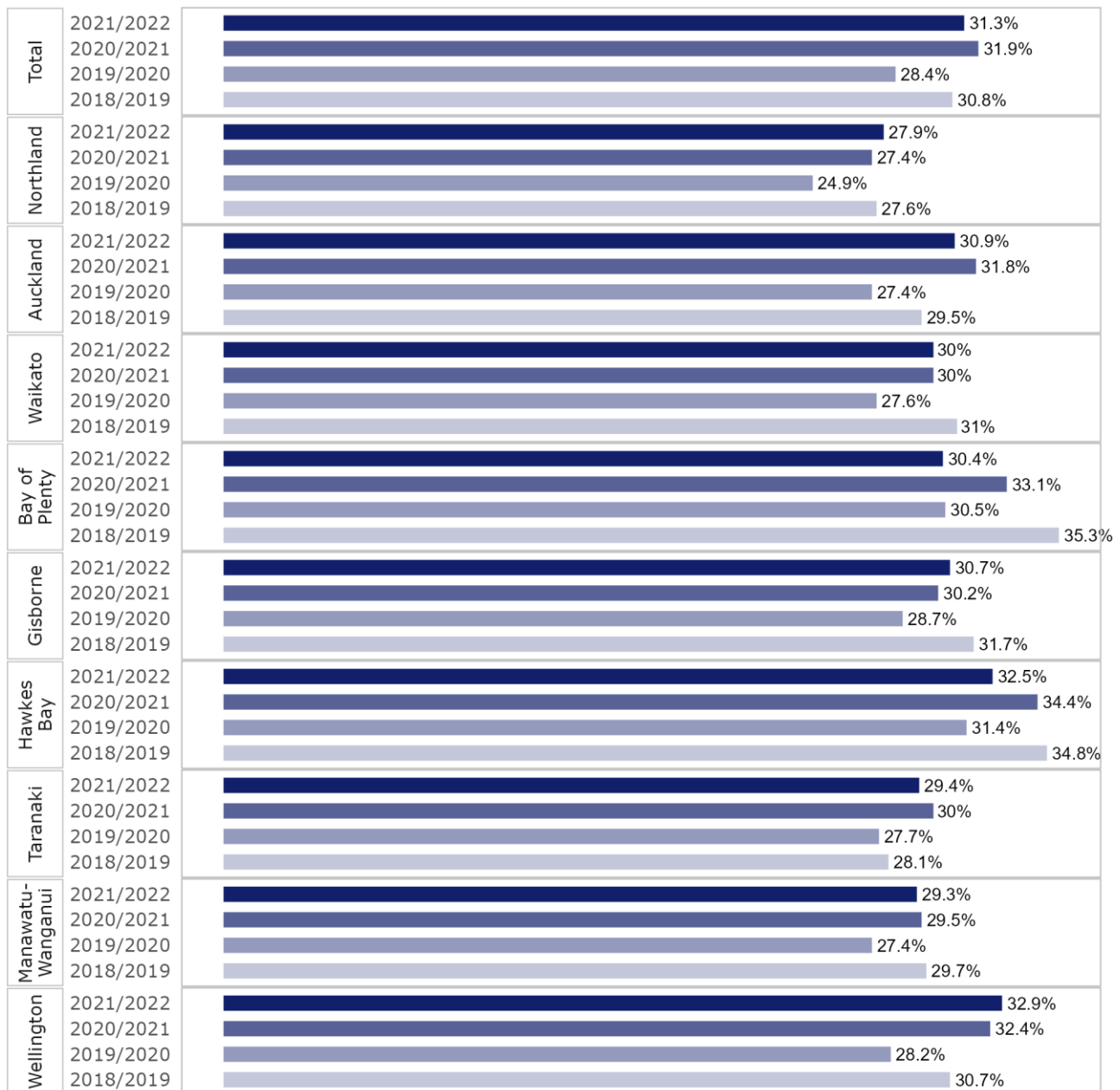
The proportion of people who remained off a main benefit for at least a year after exiting.





Regions²² differ in both their population make-up and the industries that form their local economies. This also affects the number of jobs that are available within each region which influences the likelihood of people leaving the benefit system and exiting into employment.

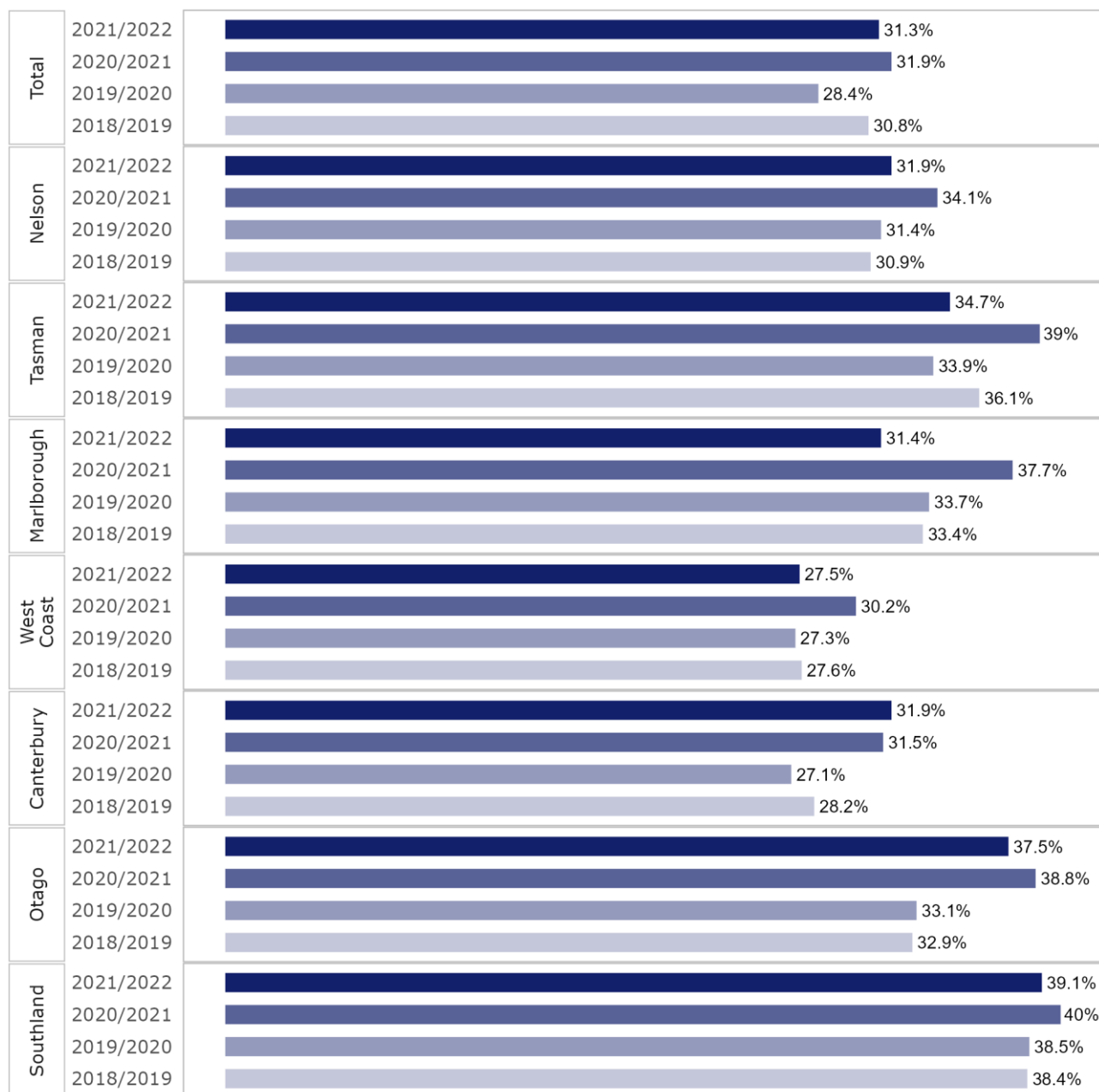
Figure 40: Likelihood of benefit exit, by North Island regions



²² Regions are based on the 16 regional and unitary councils. Manawātū-Wanganui is also referred to as the Horizons Regional Council. For more information on each region please see <https://www.lgnz.co.nz/regionals/>



Figure 41: Likelihood of benefit exit, by South Island regions



In the year ended June 2022, the three regions with the highest likelihoods of exiting were:

- Southland (39.1 percent), which decreased from 40 percent in the year to June 2021.
- Otago (37.5 percent), which decreased from 38.8 percent in the year to June 2021.
- Tasman (34.7 percent), which decreased from 39 percent in the year to June 2021.



Figure 42: The likelihood of exiting into employment, by North Island regions

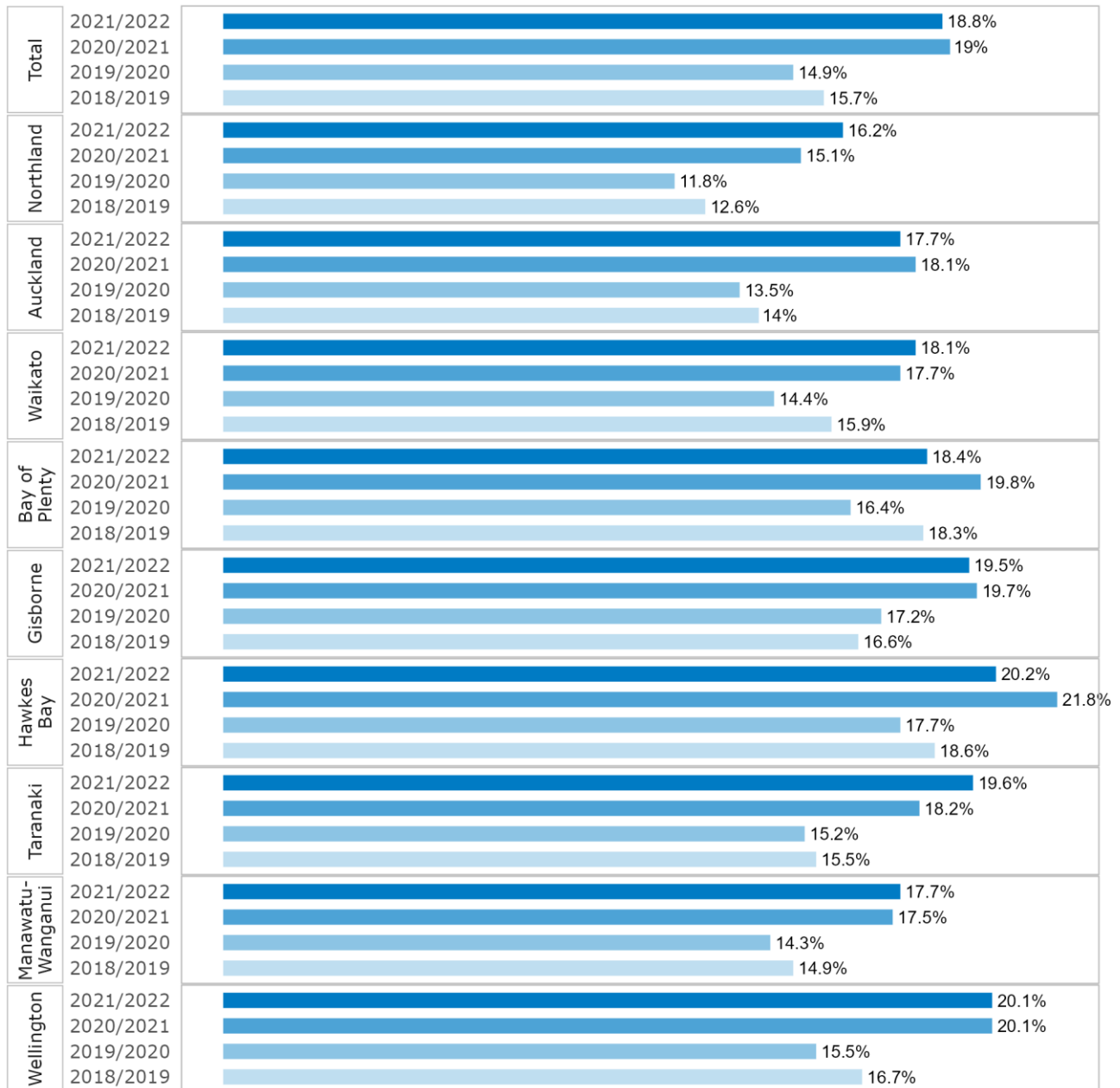
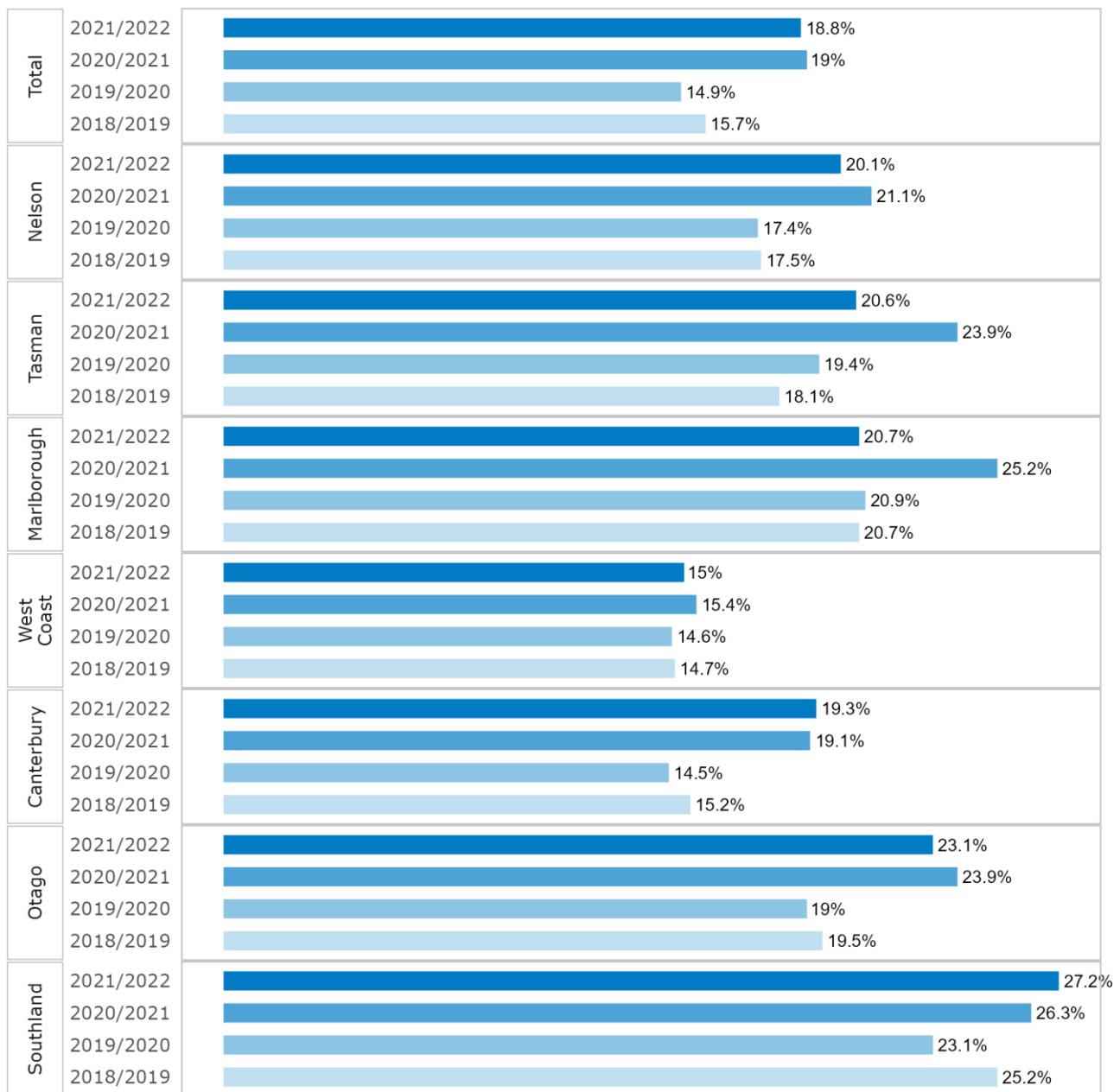




Figure 43: The likelihood of exiting into employment, by South Island regions



In the year ended June 2022, the three regions with the highest likelihoods of exiting into employment were:

- Southland (27.2 percent), which increased from 26.3 percent in the year to June 2021.
- Otago (23.1 percent), which decreased from 23.9 percent in the year to June 2021.
- Marlborough (20.7 percent), which decreased from 25.2 percent in the year to June 2021.



Figure 44: The proportion of people who remained off a main benefit for at least a year after exiting, by North Island regions

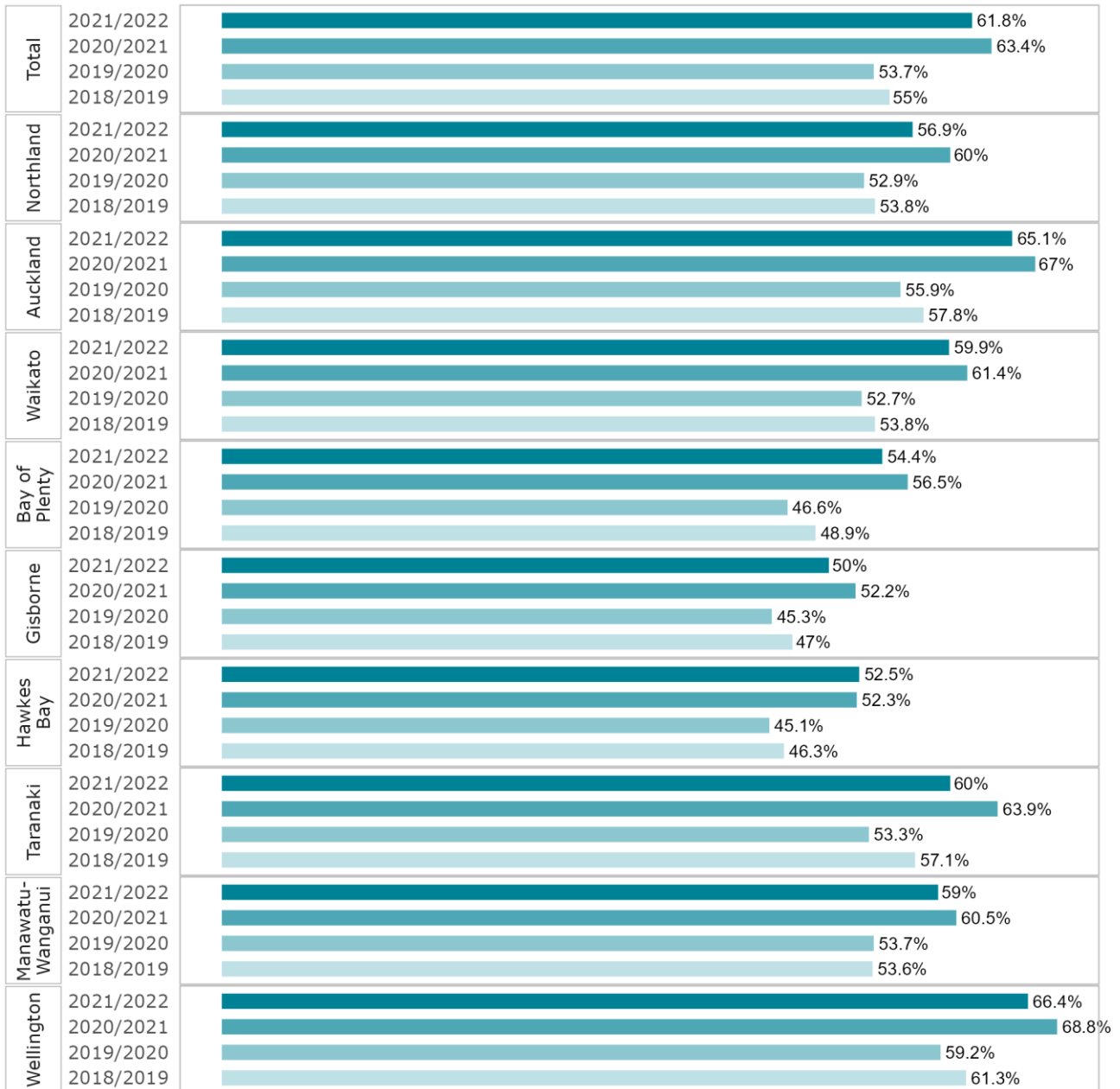
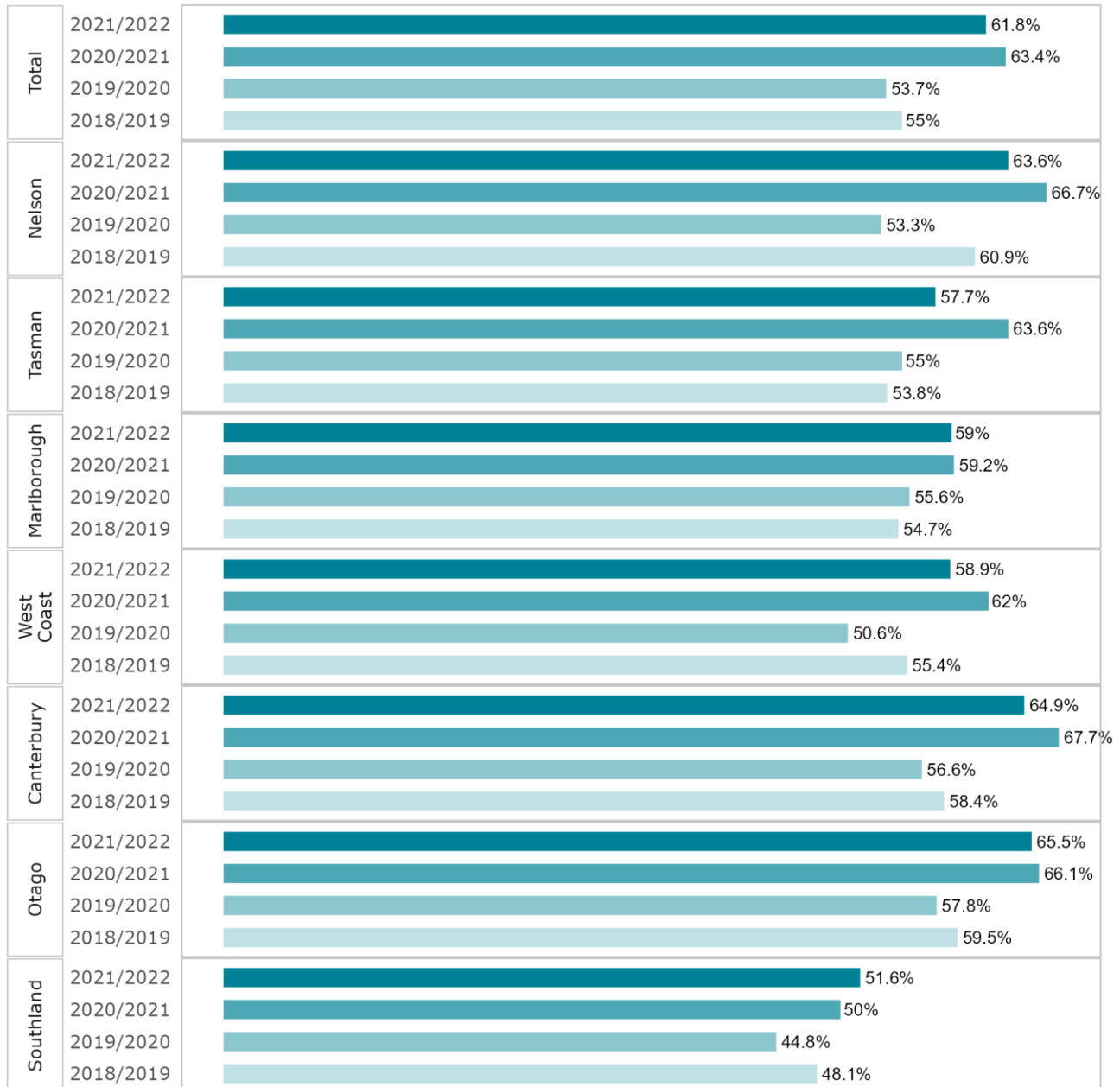




Figure 45: The proportion of people who remained off a main benefit for at least a year after exiting, by South Island regions



In the year ended June 2022, the three regions that had the highest proportion of people remain off benefit:

- Wellington (66.4 percent), which decreased from 68.8 percent in the year to June 2021.
- Otago (65.5 percent), which decreased from 66.1 percent in the year to June 2021.
- Auckland (65.1 percent), which decreased from 67 percent in the year to June 2021.



Because regions differ by the industries that form their local economies, there can be a wide variety in the number and type of job opportunities. This is expected due to the nature of different industries. Some industries contain many seasonal sub-industries where the work is not expected to continue for more than a year. However, these roles provide an opportunity for people to maintain a connection to the labour market and gain experience and skills while earning an income.

The large urban centers of Auckland and Wellington have a wide range of industries that make up their local economies. The wider range of jobs available in urban centers gives people a greater opportunity to find non-seasonal work, or move between different types of seasonal work, which may increase the likelihood of staying in employment.



Figure 46: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment, by North Island regions

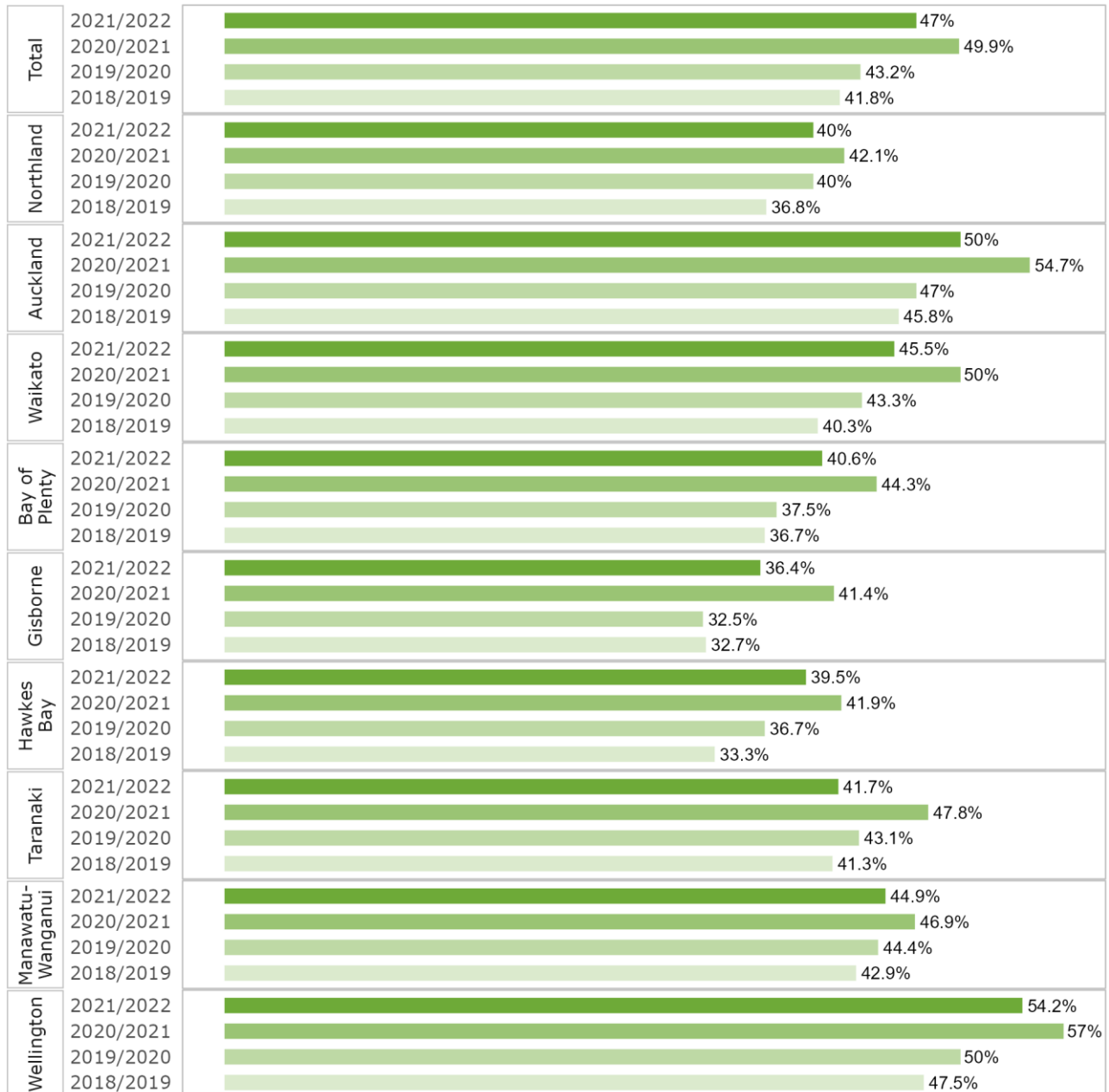
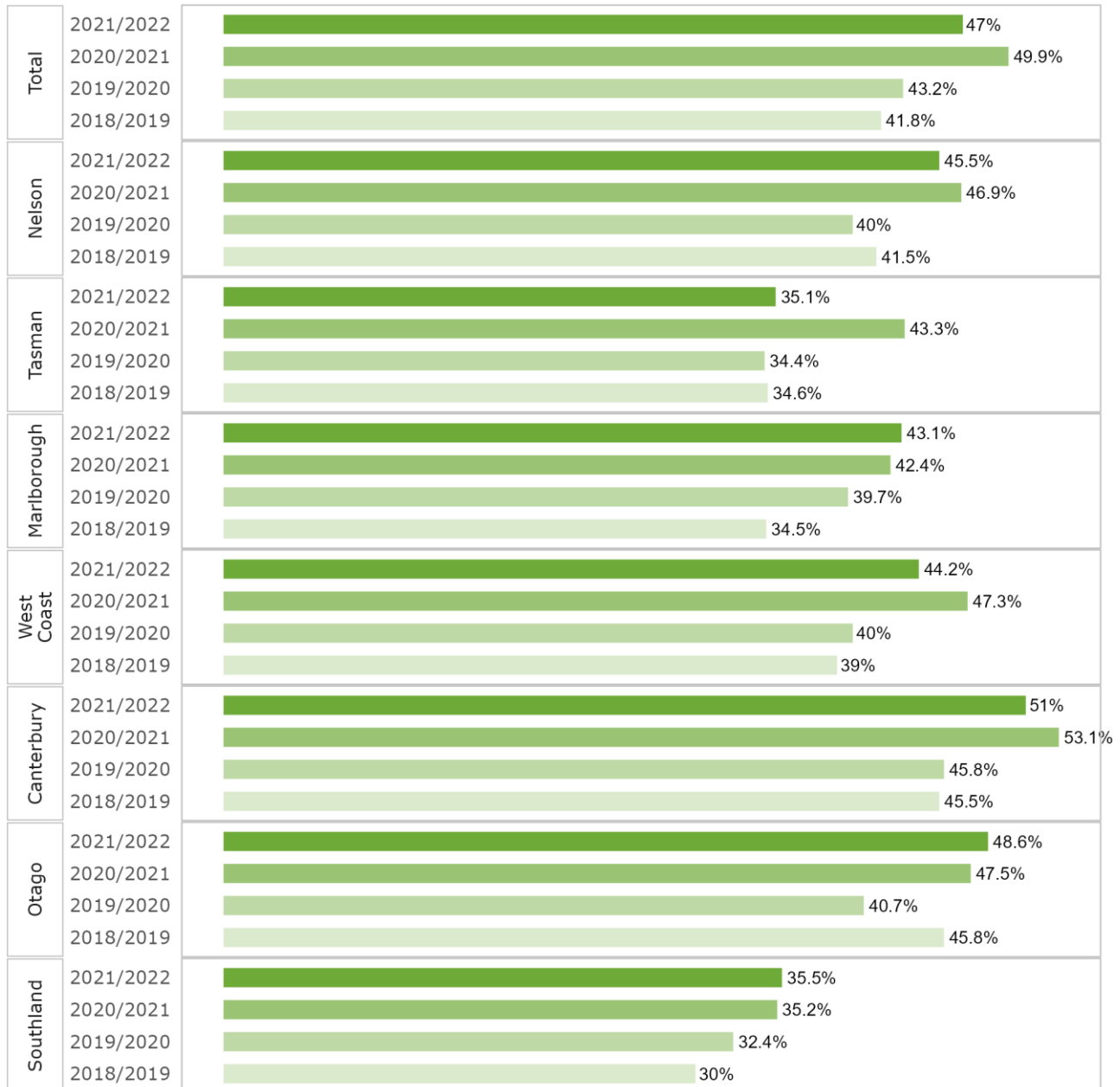




Figure 47: The proportion who stayed in employment, earning at least \$1,816 each month for at least a year after they exited into employment, by South Island regions

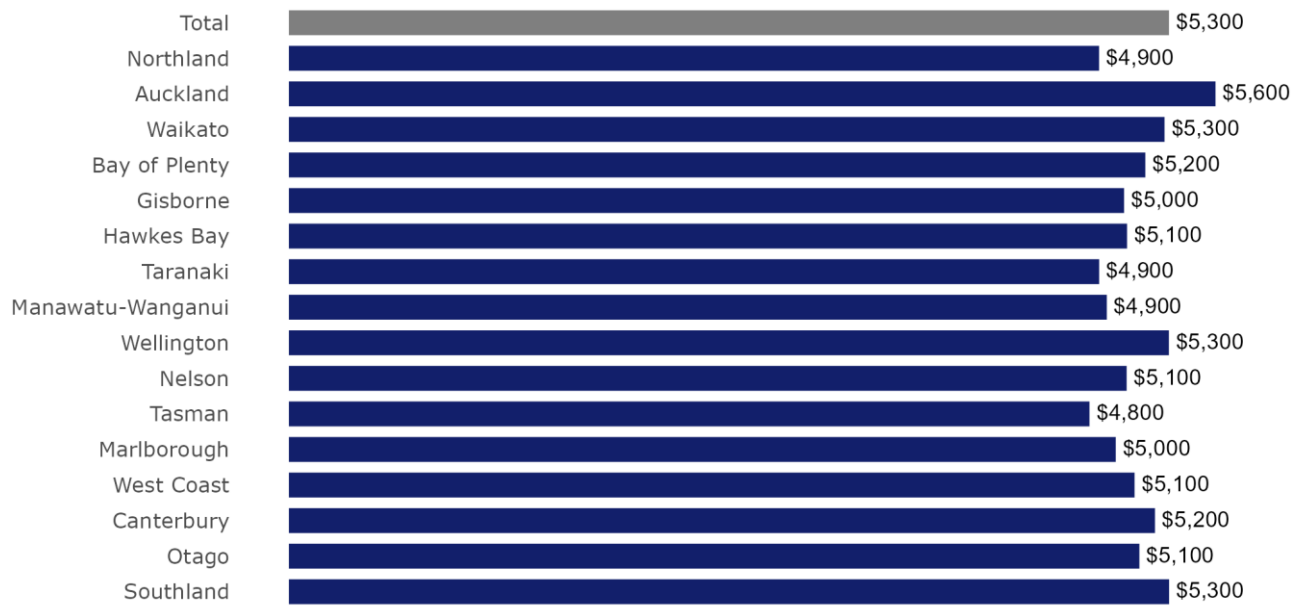


In the year ended June 2022, the three regions where the highest proportion of people stayed in employment sustainability were:

- Wellington (54.2 percent), which decreased from 57 percent in the year to June 2021.
- Canterbury (51 percent), which decreased from 53.1 percent in the year to June 2021.
- Auckland (50 percent), which decreased from 54.7 percent in the year to June 2021.



Figure 48: Average monthly income one year after exit for people who exited into employment in the year ended June 2022, and stayed in employment for at least a year, by region



On average, people who exited into and stayed in employment for at least a year in Auckland, Southland and Wellington had the highest monthly incomes at 12-months (earning \$5,600, \$5,300 and \$5,300 respectively).



Appendix: Reliances, limitations and things to note

There are a number of key limitations to be aware of when using this report. For further information on these as well as more detailed methodology and definitions please see the accompanying [technical guide](#).

A person must have been off benefit for at least a full calendar month before being included in the subject population. Depending on when a person leaves a benefit this could exclude people who are off benefit for periods up to almost two months, while including others who have been off benefit for just one full month.

We use earnings exceeding \$1,816 a month (inflated to September 2023) as our threshold for staying in employment. We only have earnings data for calendar months and do not have work hours. Thus, a person who works one week a month earning an annual salary of \$60,000 would have the same monthly earnings as someone working a full four weeks on an annual salary of \$15,000.

Generally self-employed earnings are not accounted for. Most self-employed earnings declarations in the data relate to years ending 31 March, which we could not reliably allocate across months and which may not be available until a long period after the financial year end. This means that some of those deemed to not be earning or to be earning less than \$1,816 per month may, in fact, have earnings from self-employment exceeding \$1,816 per month. However, the proportion of the study population reporting self-employed earnings is small (less than 3 percent in previous reports), so this is unlikely to materially impact our broad findings.

There is a need to be cautious in drawing conclusions from the comparative analyses in this report. We have performed comparative analyses between various groups throughout this report. However, we have not controlled for any multivariate factors between any two groups.

Differences in exit likelihoods between the cohorts could partly be due to differences in the characteristics and histories of the cohorts. No attempt has been made to control for these differences and, for this reason, it is not possible to come to any firm conclusions about the causes of differences in exit likelihoods and other outcomes between the cohorts.

Due to the way we've defined and prioritised exit reasons, some people who are designated as having left benefit for reasons other than employment may also have earnings over \$1,816 per month. For example, someone may have left for tertiary education and also have income above \$1,816 per month – they would be classified as leaving for tertiary education rather than employment. It is also possible that some of the people assigned to other earning categories for less than \$1,816 per month may in fact have substantial earnings, for example they may have significant self-employed earnings, as described above.