

What happened to people in the 12 months after they left the benefit system, up to June 2024

About this report

This analysis describes what happened to people who left the benefit system, with a focus on the 125,400 people who left the benefit system in the year to 30 June 2023. This analysis uses research data in the Integrated Data Infrastructure (IDI) to understand what happened to those people for at least 12 months after their exit, up to June 2024.

The IDI contains data from government agencies, Statistics New Zealand (Stats NZ) surveys, and non-government agencies (NGOs) about people, households, and firms. This allows researchers to better understand how people interact with a variety of government agencies over the long-term.

Using the IDI allows us to understand how people's outcomes differ by looking at how many people remained off benefit, how many stayed in their employment and how their incomes changed after exiting.

This report focuses on the people who left the benefit system into employment, education or training. Around 61.9 percent (77,600 people) who left the benefit system exited to: employment (defined as exiting a main benefit and earning more than the equivalent of 20 hours at minimum wage¹ after their exit), enrolled in a tertiary course, or began some form of targeted/industry training like an apprenticeship.

A separate monitoring report delves deeper into differences between groups and compares outcomes for people who left in previous years, going back to the year ended June 2020. The technical guide describes how this analysis was done.

The number of people recorded as leaving the benefit system in this report are lower than official counts of main benefit cancels. This analysis only counts the first time a person leaves the benefit system within a reporting year, and only counts people once they have remained off benefit for a full calendar month.²

¹ 20 hours at minimum wage equated to \$1,852 per month as at 1 April 2024.

² A full explanation of the differences between official main benefit cancels and the number of exits used in this analysis can be found in our technical guide: 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 insights

> Despite weakening economic conditions through 2023 and 2024, the proportion of people who exited into and stayed in employment remained relatively strong – lower than the previous two years but higher than the pre COVID-19 levels:

— Around 55.7 percent of people who exited, exited to employment, which is a reduction from 60.0 percent the previous year. Prior to COVID-19, these ranged from 48.0³ percent in the year to June 2014 to 51.2 percent in the year to June 2019.

— 45.3 percent of people who exited to employment in the year to June 2023 stayed in employment for 12 months⁴ compared to around 47.1 percent in the year to June 2022. This is still higher than the 41–42⁵ percent observed prior to COVID-19.

³ This is based on analysis from a previous report – ‘What happened to people who left the benefit system during the year ended 30 June 2019’. This report can be found here:

www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/people-who-went-off-the-benefit-in-year-ended-30-june-2019.html

⁴ Staying in employment or sustaining employment income is defined as staying off benefit and maintaining the equivalent of 20 hours of minimum wage per week over each month (which equated to \$1,852 per month as at 1 April 2024).

⁵ This is based on analysis from a previous report – ‘What happened to people who left the benefit system during the year ended 30 June 2019’. This report can be found here:

www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/people-who-went-off-the-benefit-in-year-ended-30-june-2019.html

> There was a significant increase in the number of people exiting overseas compared to the previous year to June 2022. Exits overseas accounted for around 10,400 people or 8.3 percent of exits in the year to June 2023, compared to 5,900 or 4.3 percent the previous year.

> Generally, the proportion of people who stayed in employment for 12 months decreased across industries with few exceptions. From the 10 most common industries that people exit to, the only industries that saw increases to the proportion of people who stayed in employment were: Health Care and Social Assistance, Education and Training, and Public Administration and Safety.

> People who have been in the benefit system for more than two years are less likely to leave the benefit system than people who have been in the benefit system for less time. For those who left to employment after two or more years on a main benefit, the percentage who stayed in employment for 12 months improved to 47.1 percent in the year ended June 2023, up from 44.6 percent the year before.

Context for the time period this report covers

This report focuses on the 125,400 people who left the benefit system in the year to 30 June 2023. This was a lower number of exits than the previous two years; in the year to June 2021 the number of people who left the benefit system peaked at 146,300 people. A large number of people left the benefit system during a period of strong economic growth and record low unemployment⁶ following COVID-19.⁷

Outcomes were tracked for 12 months after people left the benefit system, up to June 2024, during which time the economy had begun to weaken and benefit numbers had begun increasing.

From early 2022, the Official Cash Rate (OCR) was raised rapidly, from a historic low,⁸ to address the high and rising inflation rate.⁹ Higher interest rates reduce overall spending, which lowers economic growth.

Gross Domestic Product (GDP) data from Stats NZ showed that, when accounting for New Zealand's population growth, quarterly GDP per capita fell for two consecutive quarters prior to June 2023.¹⁰ The results of slow or negative economic growth makes it more difficult for people to find or retain work, although the labour market tends to lag the broader economic cycle.

From early 2023, the effect of higher interest rates on the economy was showing with a sharper rise in the unemployment rate from the March 2023 quarter. The unemployment rate increased steadily from a near record low of 3.3 percent in the June 2022, up to 4.7 percent in the June 2024 quarter.¹¹

Despite these weakening economic conditions through 2023 and 2024, the proportion of people who exited into and stayed in employment remained relatively strong in this reporting, when compared to the years preceding the COVID-19 pandemic.

⁶ Seasonally adjusted unemployment rate as found on Stats NZ Infoshare: infoshare.stats.govt.nz. Data was as at 7 July 2025.

⁷ To read more about the reduction in benefit numbers following the initial economic impact of COVID-19, please see the Benefit System Updates found here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/covid-19/covid-19-evidence.html.

⁸ The Official Cash Rate (OCR) hit its historic low of 0.25% in March 2020: www.rbnz.govt.nz/monetary-policy/monetary-policy-decisions

⁹ The annual inflation rate was 6.9% in the March 2022 quarter: infoshare.stats.govt.nz

¹⁰ GDP per capita was calculated using a seasonally adjusted measure of total GDP per quarter divided by the quarterly estimated NZ resident population found on Stats NZ Infoshare: infoshare.stats.govt.nz. Data was as at 16 June 2025.

Three in five people who exited a main benefit went to either employment, education, or training.

Of the 125,400 people who left the benefit system in the year to June 2023, 61.9 percent (77,600 people) exited to employment, enrolled in a tertiary course, or began some form of industry training (e.g., an apprenticeship). This was a decrease from the previous year, when around 67.5 percent of people exited to one of these three main pathways.

Although the proportion of exits to employment have decreased from the previous year, they are still higher than seen pre-COVID-19 (~50 percent). However, excluding the increase during the beginning of COVID-19, fewer people have been exiting to tertiary or industry training courses since this reporting series began in 2010/11.

Figure 1: Proportion of all exits for each exit reason by financial year.

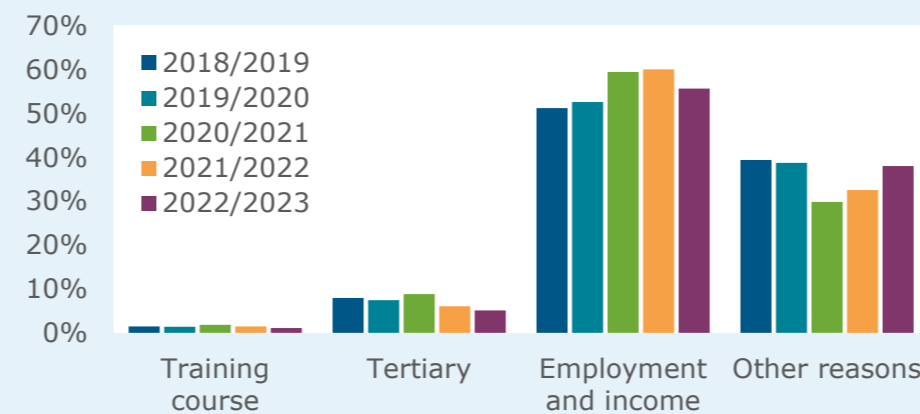
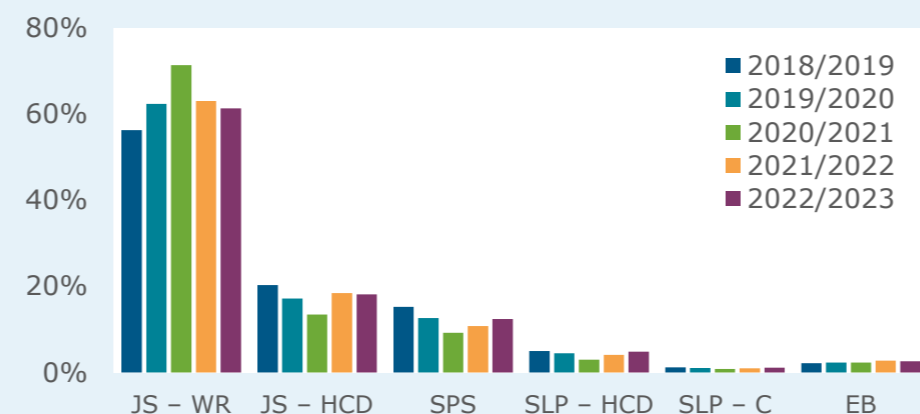


Figure 2: Proportion of exits by each benefit type.



The proportion of exits for other reasons¹² has grown substantially over the past year, driven by the number of people who have been exiting overseas. This is described further below.

The proportion of exits to employment remained high compared to historical averages.

In the year to June 2023, 55.7 percent of those who left the benefit system exited to employment. This is lower than the previous year, where 60.0 percent exited to employment. However, in the year to June 2023, this proportion was still above historical levels. These ranged from 48.0¹³ in the year to June 2014 to 51.2 percent in the year to June 2019.

During the initial COVID-19 restrictions in early 2020, there was a rapid increase in people granted Jobseeker Support - Work Ready (JS - WR). They were younger, more likely to be New Zealand European and had little recent benefit history.

This changed the make-up of the benefit population and subsequently the people who exited the benefit system.¹⁴ Many of the JS - WR clients who entered the benefit system during COVID-19 and subsequently left were more likely to have the skills to fill permanent roles once the economy re-opened. This contributed to the high number of people leaving the benefit system and exiting to employment between July 2020 and June 2022. Figure 2 shows how the proportion of exits by JS - WR clients was much higher during and shortly after COVID-19 reached New Zealand.

The proportion of people who left the benefit system and earned an income between \$100 per month and the equivalent of 20 hours of minimum wage per week over each month in the year to June 2023 was similar to the previous year. Around 4.8 percent (or 6,000 people) of those who left the benefit system in the year to June 2023 met these criteria, compared to 4.7 percent (or 6,500 people) in the year to June 2022. These people were below the income threshold, so were not counted as being in employment for this analysis.

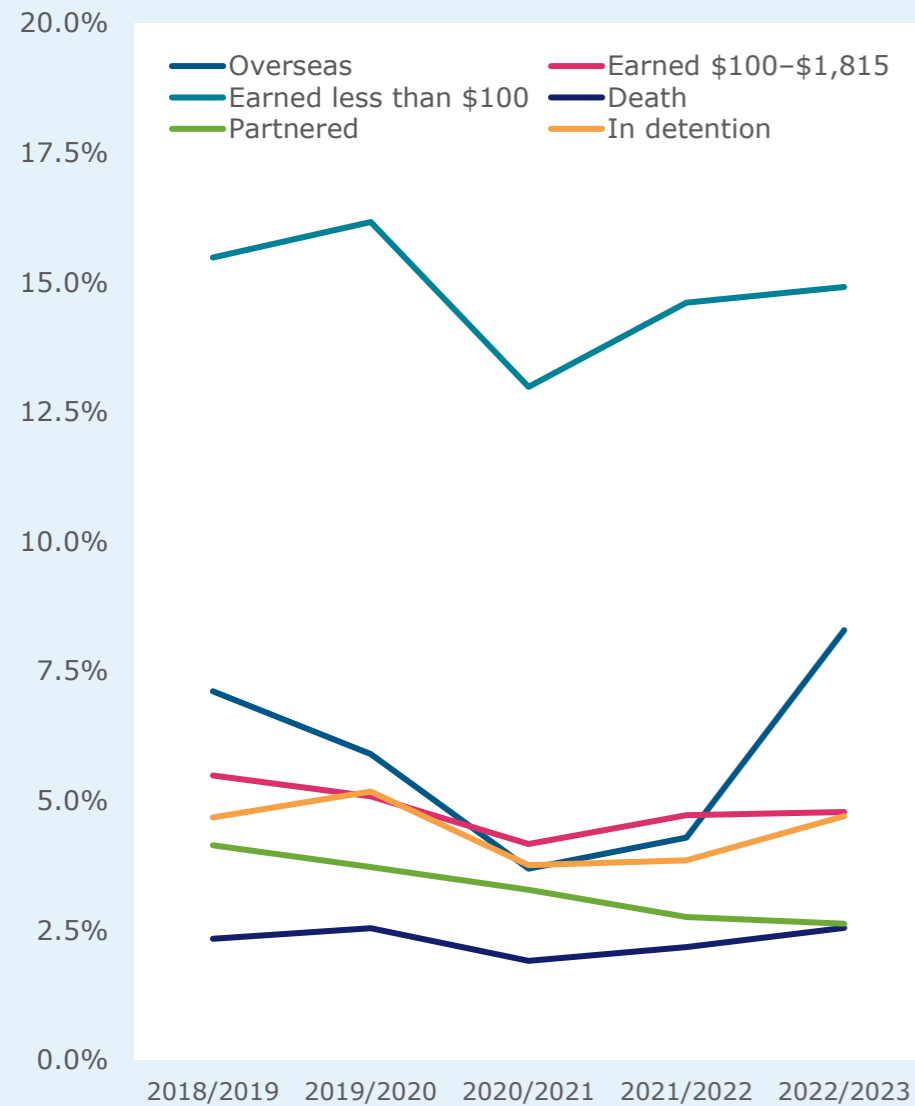
¹¹ Seasonally adjusted unemployment rate as found on Stats NZ Infoshare: infoshare.stats.govt.nz. Data was as at 7 July 2025.

¹² Other reasons for leaving the benefit system include: earning an income under the \$1,852 income threshold (so not counted as employment in this analysis), going overseas, being imprisoned, partnering with someone, reaching retirement age (65 years old), and dying.

¹³ This is based on analysis from a previous report - 'What happened to people who left the benefit system during the year ended 30 June 2019'. This report can be found here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/people-who-went-off-the-benefit-in-year-ended-30-june-2019.html

¹⁴ This was reported in the 'Trends in Jobseeker Support - Work Ready and the COVID-19 Income Relief Payment, during 2020' report: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/covid-19/trends-in-jobseeker-support.pdf

Figure 3: Proportion of all exits by exit reasons grouped under 'Other reasons', by year.



The proportion of people exiting a main benefit to overseas increased.

The proportion of exits for other reasons has grown substantially over the past year, this has been driven by the number of people who have been exiting overseas. The proportion of people who exited overseas is higher than ever reported in this series (8.3 percent, around 10,400 people). The number of exits was similar to 2010/11 and 2013/2014 where around 7 percent of exits were to overseas (around 10,600 and 10,300 people respectively).

This series of reports defines an overseas exit as when a person departed on an overseas trip for at least 14 days in the month before, the month of, or the month after they left a main benefit. Some of these people could have left the country for a short duration and returned to the benefit system, however, in the year to June 2023 only one in five (19.6 percent) returned to a main benefit within three months. 59.8 percent of people who left overseas remained off benefits for the next 12 months.

The movement toward overseas travel mirrors the high travel and migration numbers over this period. Although we saw many people entering the country, many people also left the country, with departures of around 60,000 New Zealand citizens and 38,000 non-New Zealand citizens over the year ended June 2023. The number of New Zealand citizen departures is higher than we have seen for much of the past 10 years, closer to figures seen from 2011 to 2013.¹⁵

Besides exits to overseas, the largest contributing reason was leaving the benefit system and earning less than \$100. Less is known about this group. People are assigned to this group when they did not fit into any other exit reason.

¹⁵ Figures from this paragraph are sourced from Stats NZ infoshare (infoshare.stats.govt.nz/) from the table "Estimated migration by direction and country of citizenship, 12/16-month rule (Annual-Jun)", last updated 13 March 2025. Figures are subject to revisions.

Younger people were more likely to exit the benefit system.

The likelihood of exit is highest for under 25-year-olds at 46.5 percent, this then falls from 33.6 percent for 25 to 34-year-olds to 16.8 percent for 55 to 64-year-olds. In the year ended June 2023 28.9 percent of all exits were from under 25-year-olds, with 25- to 34-year-olds making up a further 29.2 percent of exits.

Figure 4: Proportion of exits overall and the proportion of exits to employment by age group in the year to June 2023.



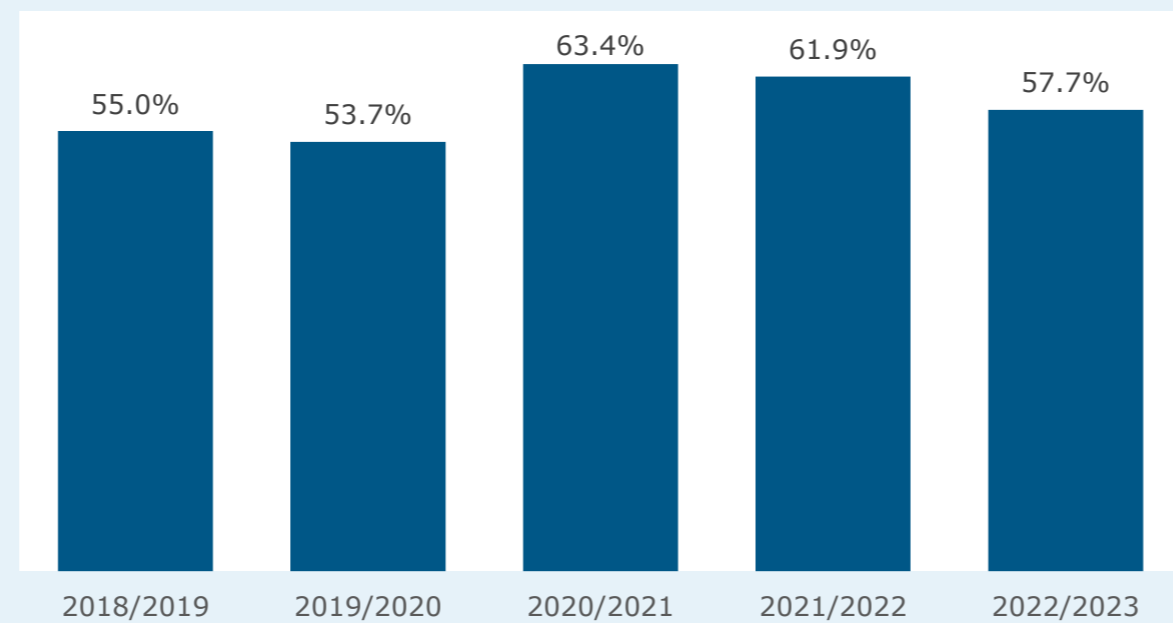
The proportion of people who remained off benefit or stayed in employment for 12 months remained relatively high despite weakening economic conditions.

The proportion of people who remained off benefit or stayed in employment for 12 months remained higher than in comparable reporting for people who left the benefit system between July 2013 and June 2019.

Remained off benefit

Overall, of the 125,400 people who left the benefit system in the year to June 2023, around 57.7 percent remained off benefit for a full 12-months, a decrease from 61.9 percent for the year ended June 2022. This decrease was generally present across all benefit types, benefit durations, exit reasons, incomes after exit, regions of exit, ethnicities, ages, and genders.

Figure 5: Proportion who remained off benefit for at least 12 months.

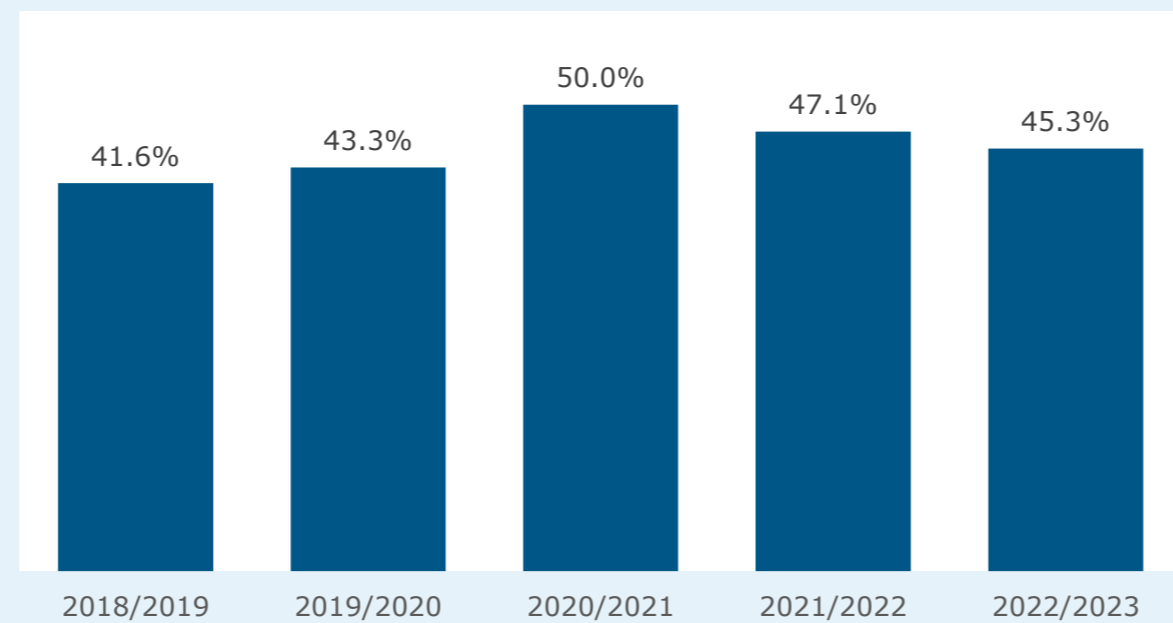


Stayed in employment

People who receive a benefit can be employed or earn income, however, this report only focuses on the people who have also left the benefit system. Of the people who exited to employment in the year to June 2023, 45.3 percent stayed in employment, compared to 47.1 percent of people who exited in the year to June 2022. Even though economic conditions weakened through 2023 and 2024 the proportion of people who stayed in employment (45.3 percent) remained relatively high compared to around 41–42 percent prior to COVID-19.

The proportion of people who stayed in employment generally decreased across all ages, ethnicities, genders, and education levels.

Figure 6: Proportion who stayed in employment for at least 12 months.



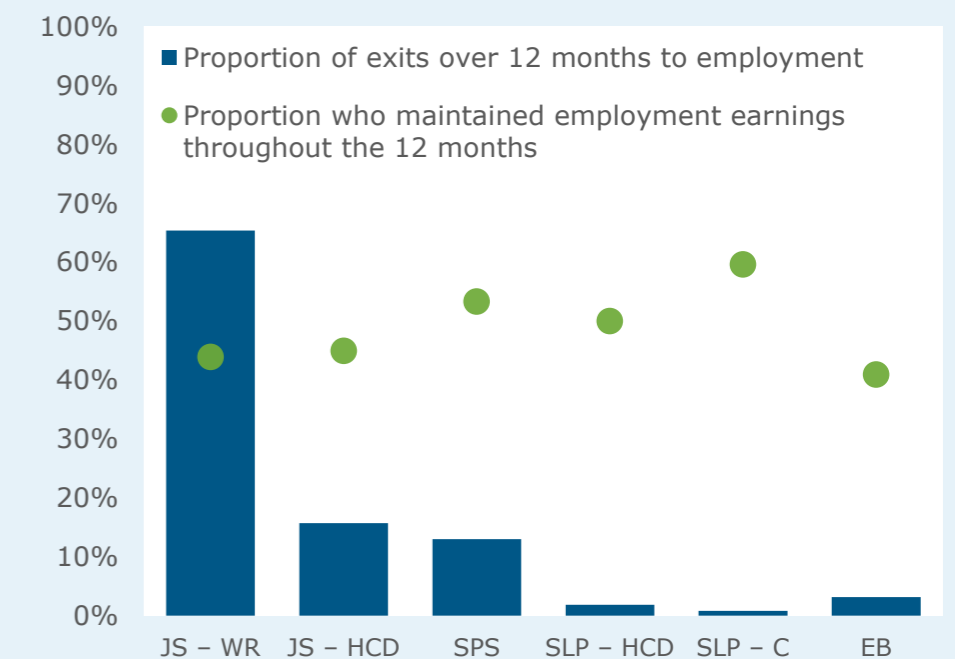
The proportion of people who sustained employment continued to differ across benefit types.

Although Sole Parent Support (SPS) clients made up only 12.7 percent of exits to employment in the year ended June 2023, 53.3 percent stayed in employment, which is higher than most other main benefit types. Conversely, while JS – WR clients made up 65.4 percent of exits to employment, the proportion who stayed in employment was lower (43.9 percent).

A higher proportion of people who exited SPS left to industries like Education and Training or Health Care and Social Assistance than people who exited from JS – WR. Clients who exited into these industries saw higher proportions of people sustain employment for at least 12 months.

Conversely a higher proportion of JS – WR clients than SPS clients exited to industries such as Admin and Support Services, Construction, and Manufacturing. Clients who exited into these industries saw a lower proportion of people sustain employment for 12 months.

Figure 7: Proportion of people who exited to employment from each benefit type and the proportion who stayed in employment for 12 months.



SPS, Supported Living Payment – Carer (SLP – C) and Supported Living Payment – Health Condition or Disability (SLP – HCD) clients generally leave the benefit system after a longer time. This reflects their barriers to work, such as health or caretaking responsibilities.

Health Care and Social Assistance saw the highest proportion of people stay in employment.

The proportion of people who stayed in employment differed widely across 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.

Generally, the proportion of people who stayed in employment for 12 months decreased across industries with few exceptions. From the 10 most common industries that people exited to, only the following industries saw a higher proportion of people stay in employment compared to the previous year: Health Care and Social Assistance, Education and Training, and Public Administration and Safety. Although the number of people exiting generally decreased, exits to these more sustainable industries made up a slightly higher proportion of all exits to employment (18.9 percent) than the previous year (17.9 percent).

Manufacturing and Construction had a decrease in the proportion of people who stayed in employment, but a slightly lower proportion of people exited to these industries (19.7 percent) in the year to June 2023 than the year to June 2022 (20.5 percent).

Figure 8: Proportion of people who stayed in employment for at least 12 months from the 10 industries people are most likely to enter.

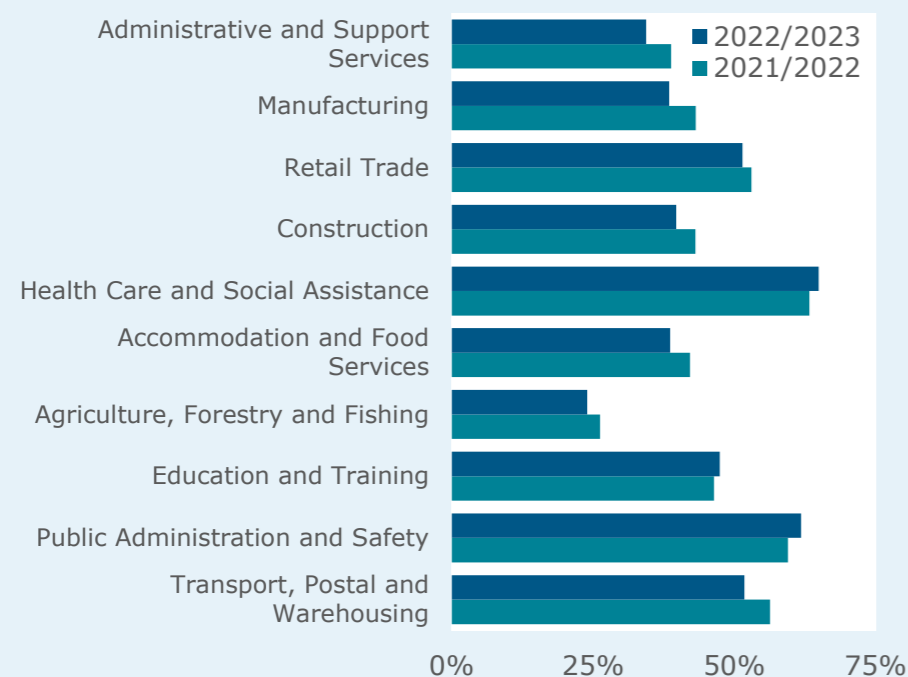
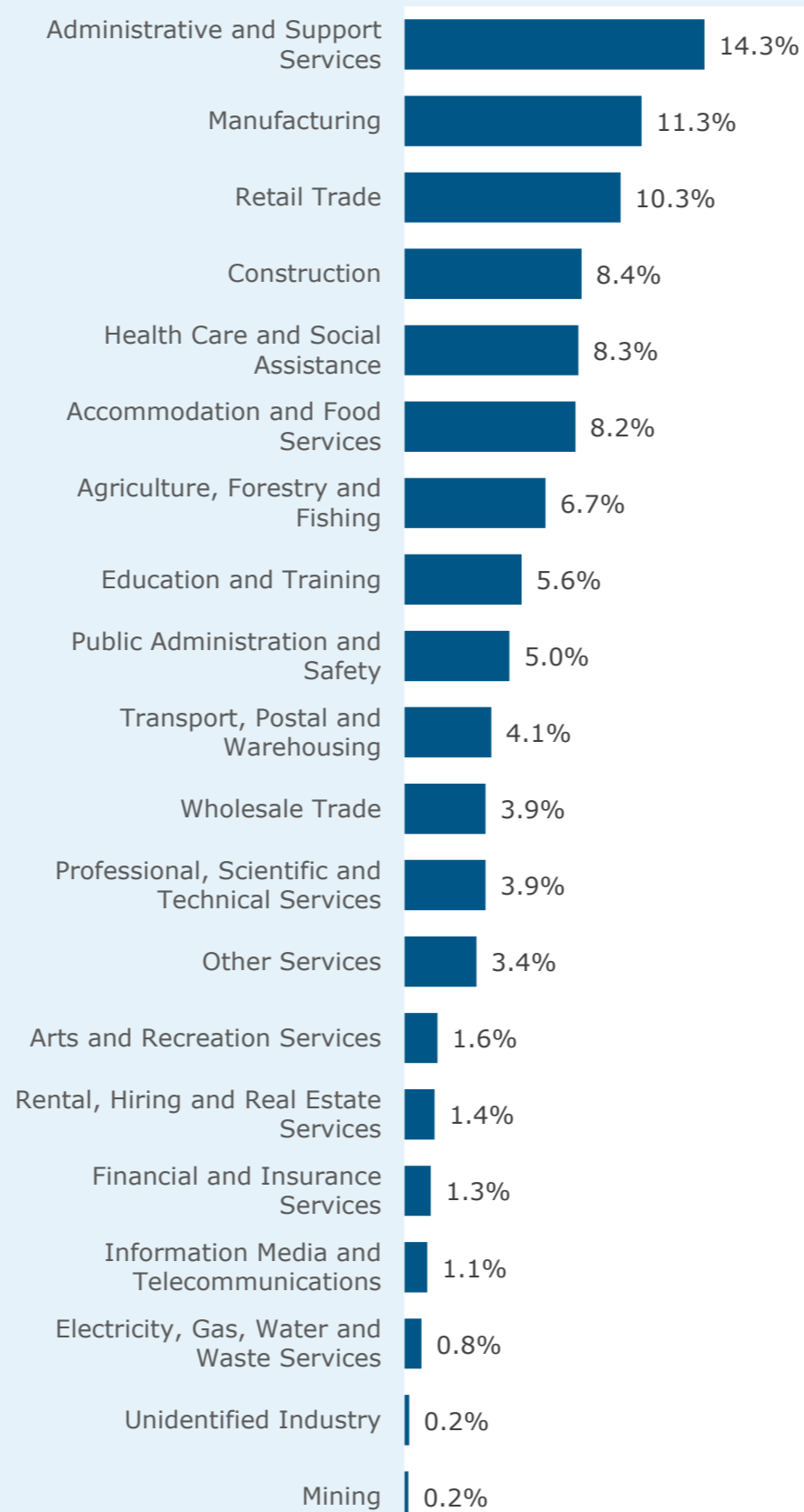


Figure 9: Proportion of exits to employment to each industry.



Differences in the proportion who remained in employment suggest men were more impacted by weakening economic conditions than women.

A similar number of men and women exited the benefit system and left to employment. In the year ended June 2023 the 50.5 percent of all exits to employment came from men.

Fewer men who left the benefit system stayed in employment for 12 months, 41.5 percent in the year ended June 2023, down from 44.6 percent in the year ended June 2022. This is still higher than the 38.4 to 39.4 percent¹⁶ observed between the year to June 2014 and year to June 2019.

Table 1: Proportion of people who stayed in employment for 12 months.

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Total	41.6%	43.3%	50.0%	47.1%	45.3%
Women	45.2%	46.9%	52.5%	50.1%	49.3%
Men	38.5%	40.4%	47.6%	44.6%	41.5%

Women have seen a smaller decrease to the proportion who stayed in employment than men. In the year ended June 2023, 49.3 percent of women who left the benefit system stayed in employment for at least 12 months, down from 50.1 percent in the year ended June 2022.

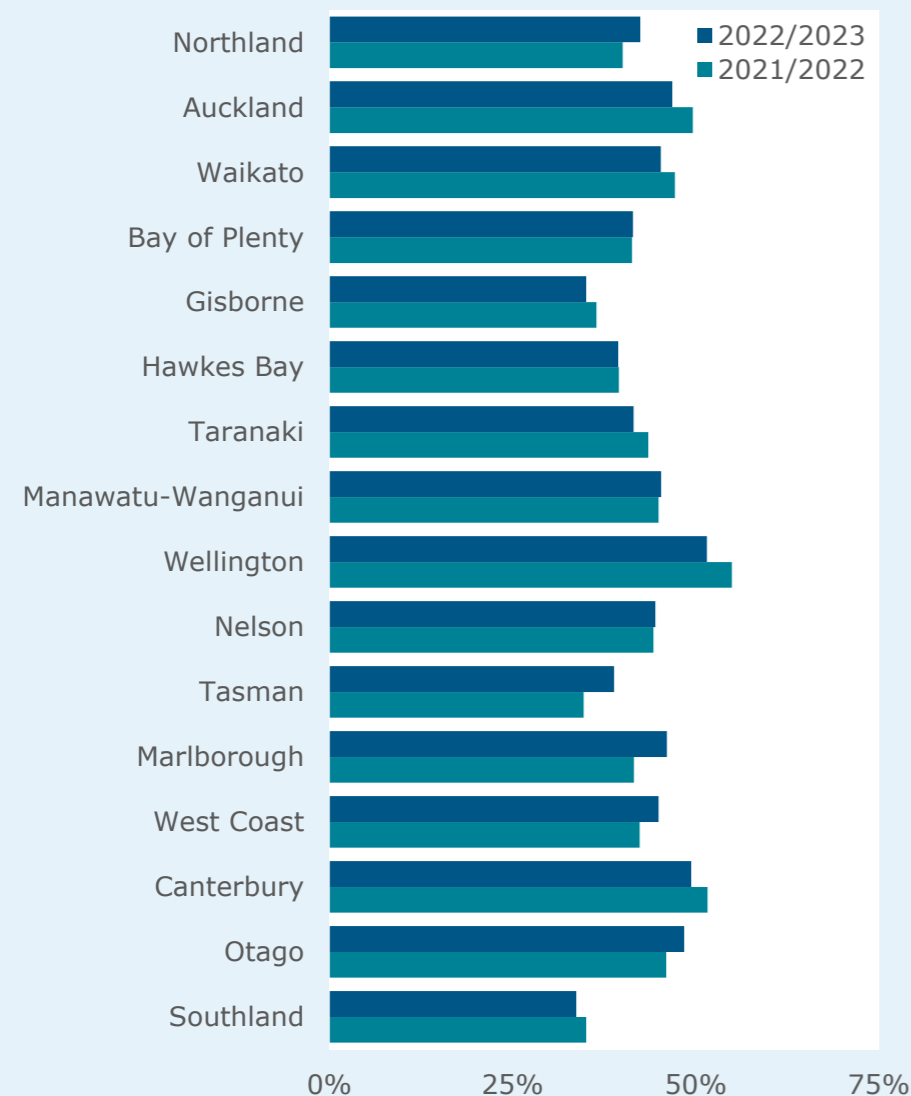
This could be due to the industries at exit. A higher proportion of women exited to industries that saw more stable employment outcomes like Health Care and Social Assistance, Retail Trade, and Education and Training than men. While men were more likely than women to exit to industries such as Construction, Manufacturing, Administration and Support services, and Agriculture, Forestry and Fishing which had less stable employment outcomes.

¹⁶ This is based on analysis from a previous report – ‘What happened to people who left the benefit system during the year ended 30 June 2019’. This report can be found here: www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/people-who-went-off-the-benefit-in-year-ended-30-june-2019.html

The proportion of people sustaining employment varied across regions.

The proportion of people who have remained off benefit for 12 months has generally dropped across regional councils. However, there were a few regions where the proportion of people who stayed in employment increased, most of these areas were very small and likely to experience more variation from year to year. Two larger areas experienced an increase in the proportion of people who stayed in employment from the year ended June 2022 to the year ended June 2023, Northland and Otago who each made up about 5 percent of exits. Otago increased the proportion of people who stayed in employment for at least 12 months from 45.9 to 48.4 percent, and Northland from 40.0 to 42.4 percent.

Figure 10: Proportion of people who stayed in employment for 12 months by regional council.

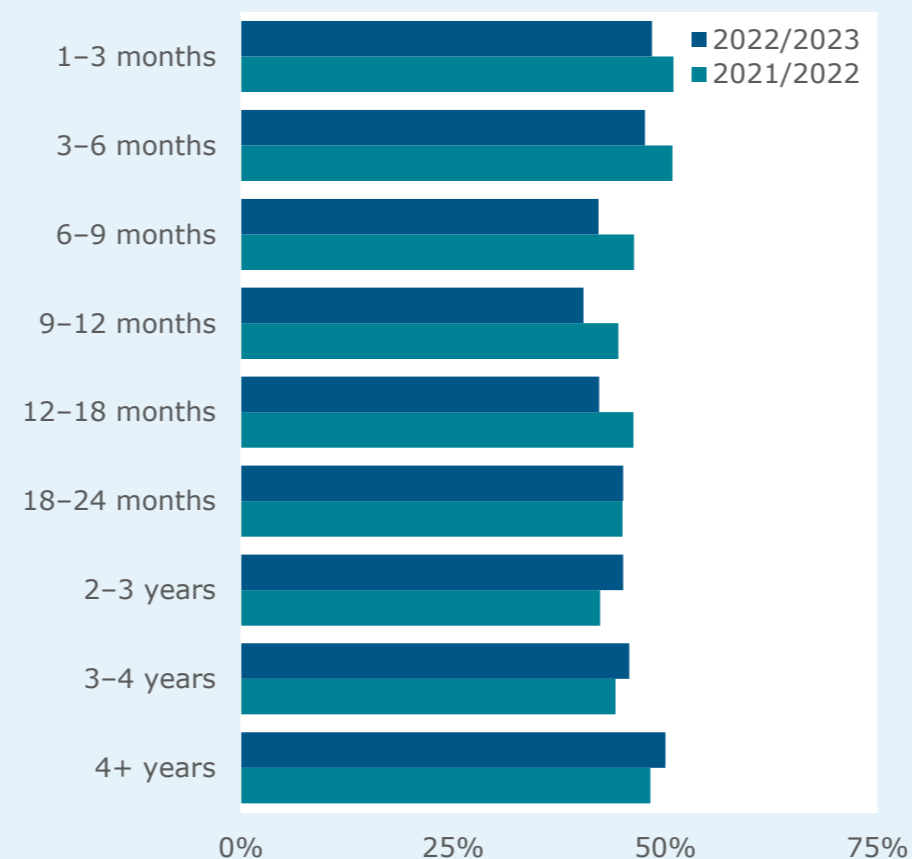


A slightly higher proportion of people who had been in the main benefit system for a significant amount of time stayed in employment.

The proportion of people who sustained employment for at least 12 months decreased overall. However, the proportion of people who sustained employment for at least 12 months increased since the previous year for people who had been in the benefit system for at least two years. The proportion of people who sustained their employment for at least 12 months increased for people who have been on a main benefit for 2 years or more (from 44.6 to 47.1 percent).

Despite a higher proportion of people staying in employment for those leaving benefits after a long time on a main benefit, the likelihood of leaving the benefit system decreases significantly after 6 months in the benefit system. While the likelihood of leaving to employment is 38.0 percent for people who spent three - six months in the benefit system, this drops to a 13.8 percent for two - three years then 3.8 percent for four or more years in the benefit system.

Figure 11: Proportion of people who stayed in employment for 12 months by benefit duration prior to exit.

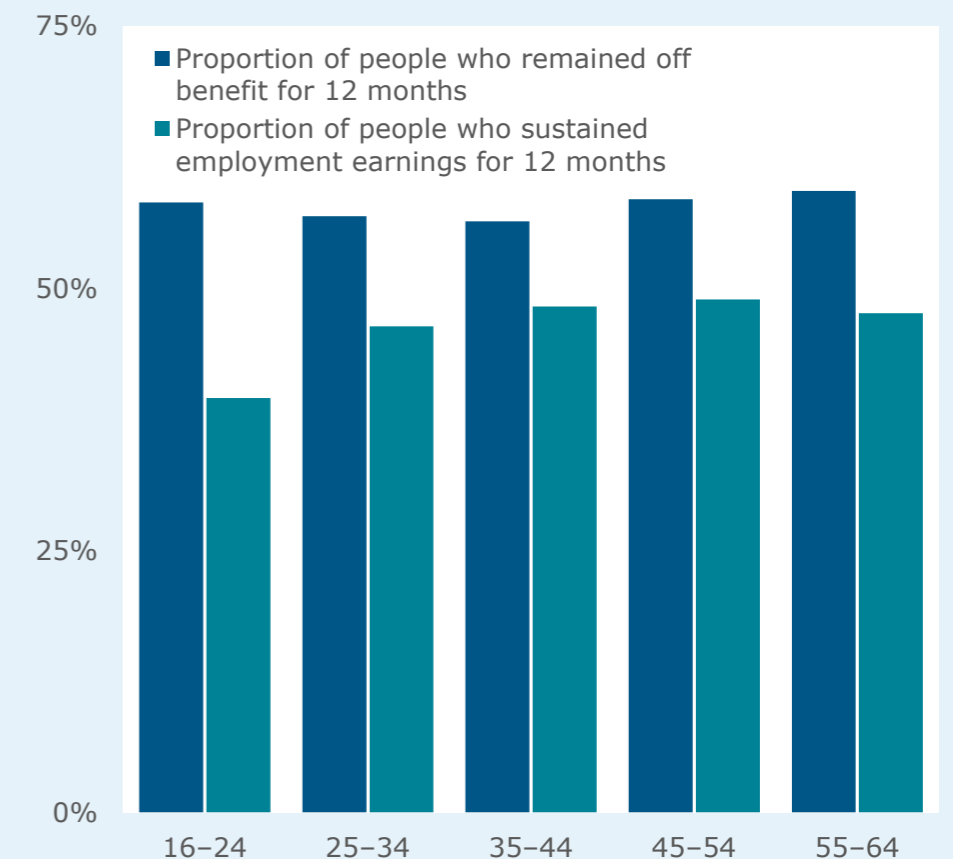


A lower proportion of younger people sustained their employment for 12 months.

A similar proportion of people who leave the benefit system remained off benefit for at least 12 months regardless of their age group. However, compared to people who were 25 or older, a smaller proportion of younger people who left to employment, stayed in employment for at least 12 months. People under 25 years old are much more likely to exit to 'Accommodation and Food Services' and 'Retail Trade', while those over 25 years old are more likely to exit to industries like 'Health Care and Social Assistance' and 'Education and Training'.

The proportion of people who remained off benefit for at least 12 months after leaving the benefit system was similar for over 25-year-olds (57.4 percent) as for under 25-year-olds (58.2 percent) in the year to June 2023. However, the proportion of people who sustained employment for at least 12 months was higher for over 25-year-olds (47.5 percent) than under 25-year-olds (39.5 percent).

Figure 12: Proportion of people who remained off benefit and the proportion who stayed in employment for at least 12 months by age group.



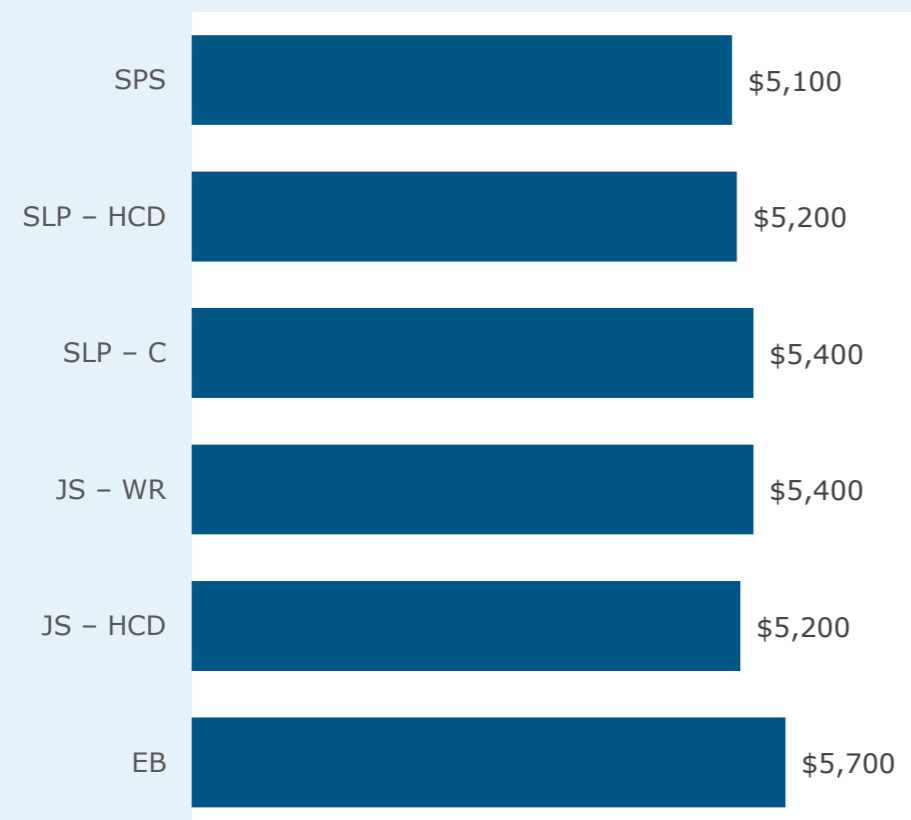
Incomes differed across groups for those who stayed in employment.

Income is defined as the gross income earned from employment, inflated using the Consumer Price Index (CPI) to September 2024. It uses information from Inland Revenue including wages and salaries as well as withholding payments.

Benefit type

Average income from those receiving Jobseeker Support – Work Ready (JS – WR), Emergency Benefit (EB), or Supported Living Payment – Carers (SLP – C) after 12 months in employment were slightly higher than those who were receiving support from Sole Parent Support (SPS), Supported Living Payment – Health Condition or Disability (SLP – HCD), and Jobseeker Support – Health Condition or Disability (JS – HCD). This is a trend that has continued from previous years. Lower income for people exiting these benefit types could indicate accommodations of part-time work needs.

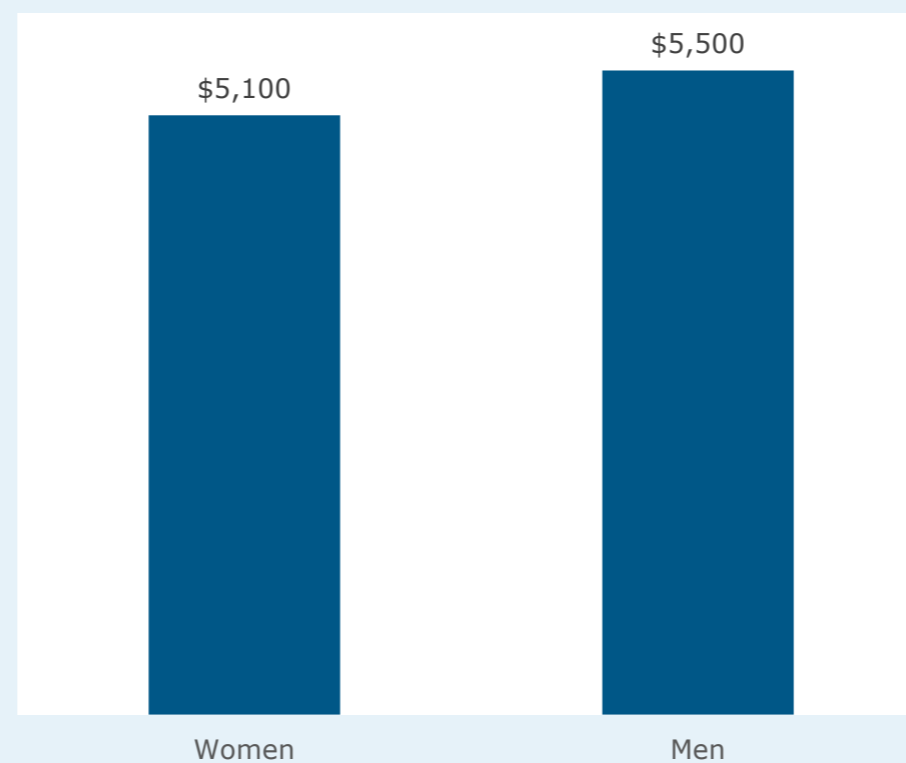
Figure 13: Average monthly income 12 months after leaving to employment by the benefit type a person was receiving before leaving the benefit system.



Gender

Women were more likely to sustain employment earnings for at least 12 months than men. However, men had higher incomes on average than women after 12 months of employment, this has been the case consistently since 2019/20.

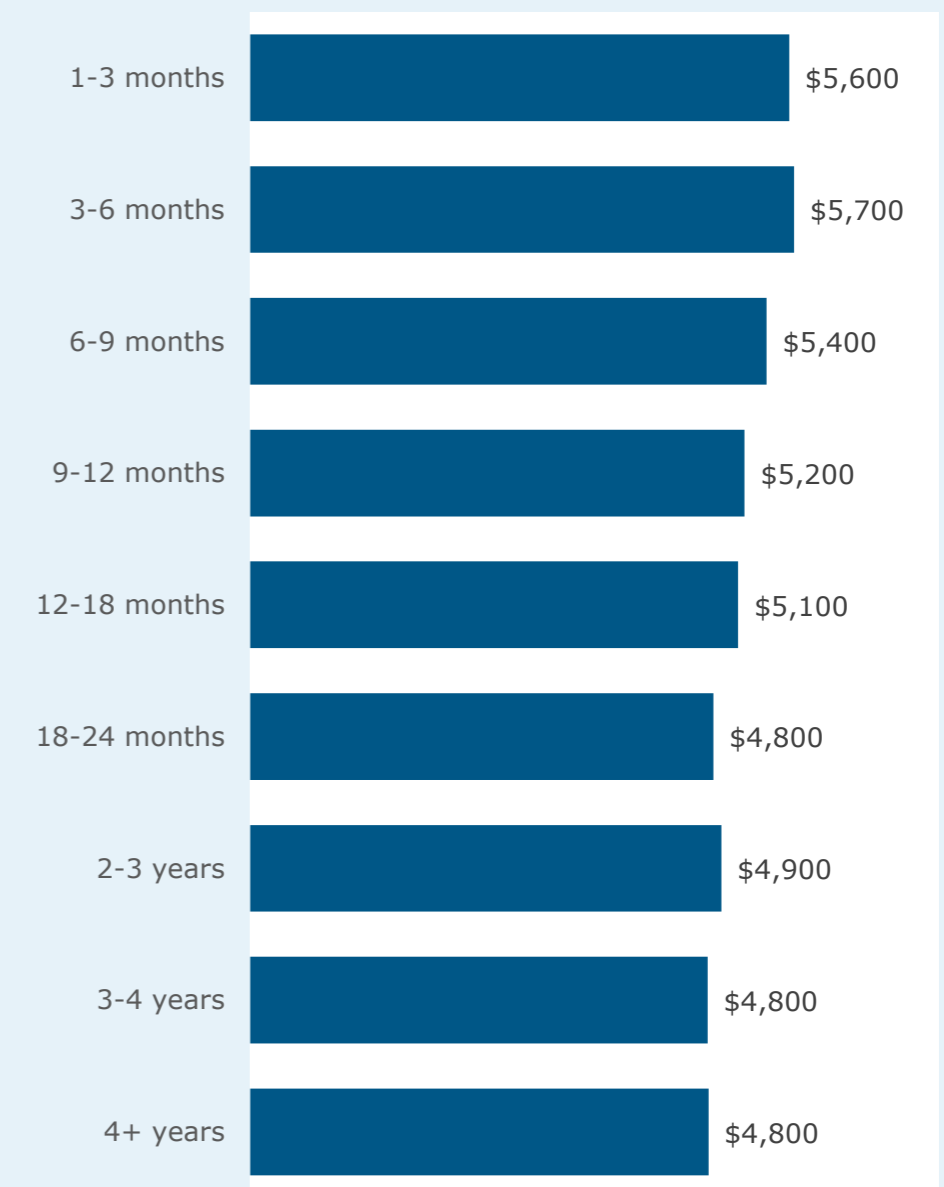
Figure 14: Average monthly income 12 months after leaving for employment by gender.



Benefit duration

Although employment sustainability improved in the last year for people who had been in the benefit system for two or more years, average monthly income after 12 months was highest for those who were in the benefit system for a shorter period of time. People who had left the benefit system after less than nine months and remained in employment for 12 months generally started with and sustained higher incomes than those who had been in the main benefit system longer. Average incomes remained similar, at around \$4,800 a month, for people who had been in the benefit system for more than 18 months.

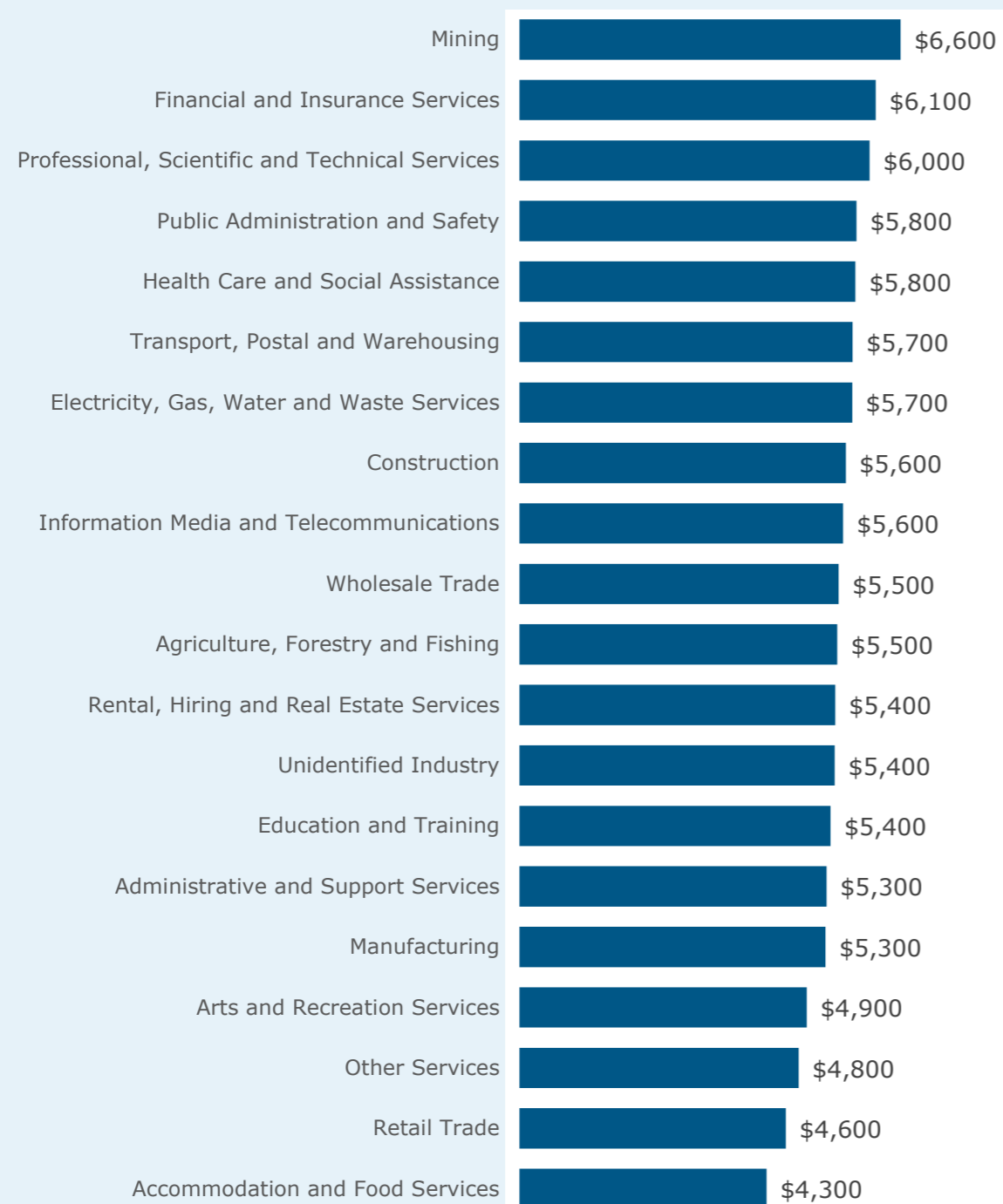
Figure 15: Average monthly income 12 months after leaving to employment by time spent in the benefit system before exit.



Industry

Despite retail trade having quite high employment sustainability (51.4 percent for leavers in the year to June 2023), it has the second lowest average wage across those who remained off benefit for 12 months. The average wage could hide aspects like differences in hours worked through part-time or full-time employment.

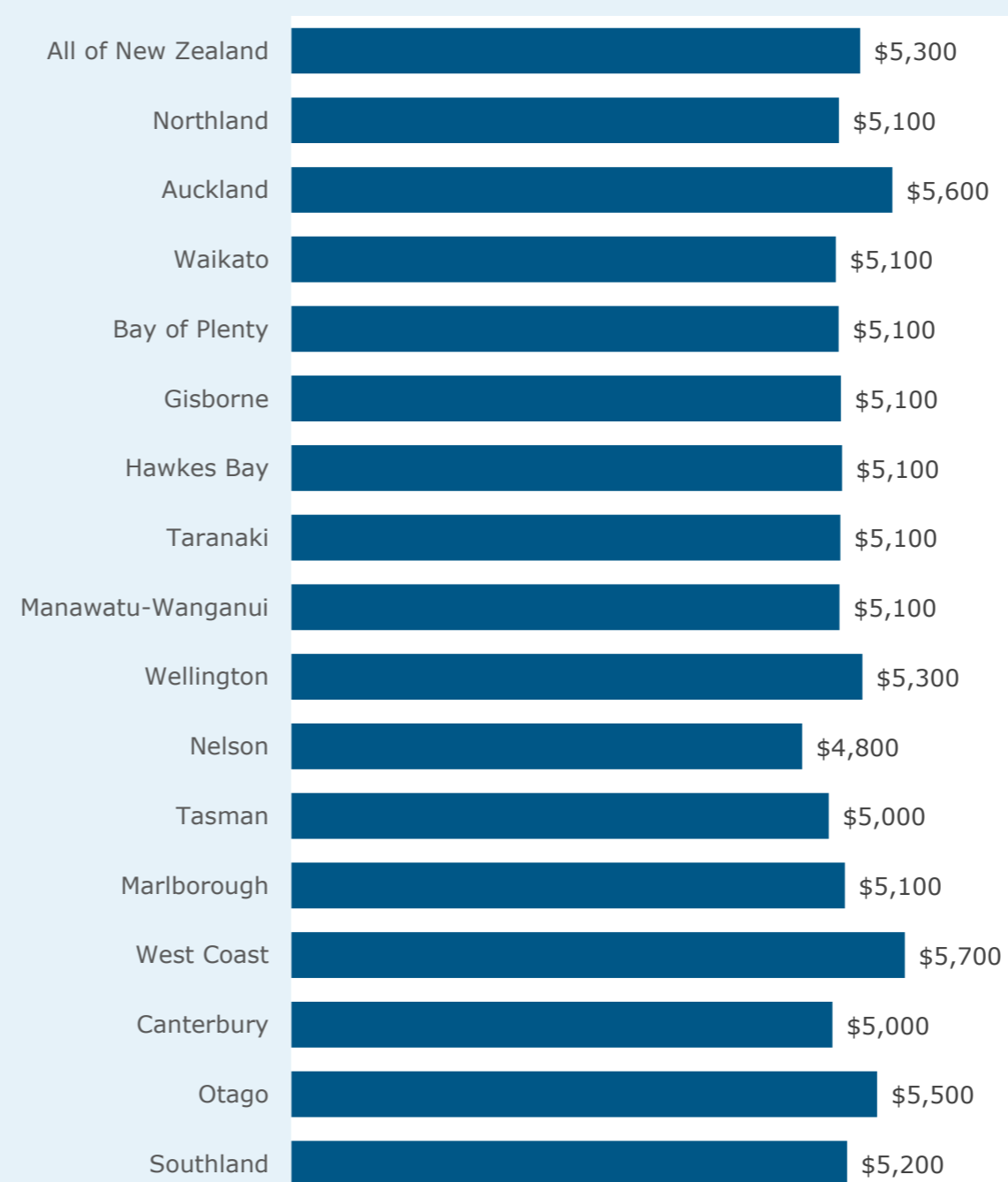
Figure 16: Average monthly income 12 months after leaving to employment by industry at exit.



Region

Regions with large cities such as Auckland and Wellington tend to have high proportions of people both remaining off benefit and sustaining employment. These same regions usually also have higher average monthly incomes for people who leave benefit and remain employed for the 12 months after they exit (\$5,600 and \$5,300, respectively). Part of this is likely due to the wide range of industries and roles available in these regions.

Figure 17: Regional council breakdowns of average monthly incomes for those who exited to and sustained employment for at least 12 months after leaving the benefit system.



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.