

Embargoed until 10:45 am – 30 April 2009

Household Labour Force Survey: March 2009 quarter - Revised 11 June 2009 - See attached erratum

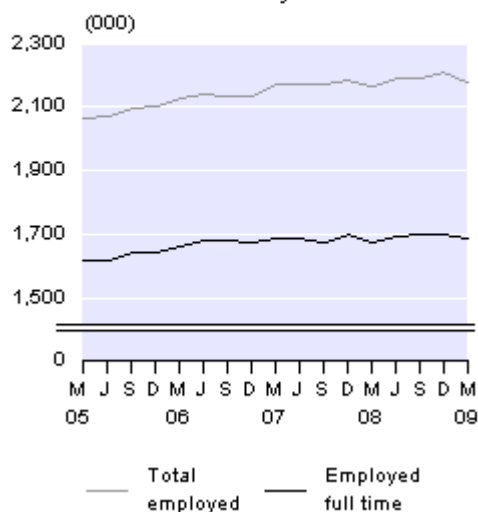
Highlights

- Seasonally adjusted employment decreased by 25,000 to 2,181,000.
- The seasonally adjusted unemployment rate increased to 5.0 percent.
- The seasonally adjusted labour force participation rate decreased to 68.4 percent.

Seasonally adjusted	March 2009 quarter	Quarterly change	Annual change
Unemployment rate	5.0%	+0.3	+1.2
Unemployed	114,000	+6.1%	+34.2%
Employed	2,181,000	-1.2%	+0.8%
Not in the labour force	1,062,000	+2.5%	-1.1%
Labour force participation rate	68.4%	-0.7	+0.7%

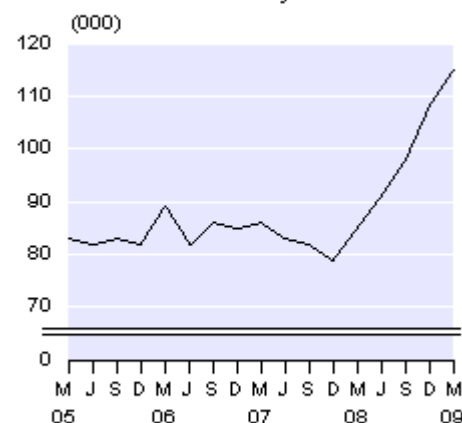
Employment

Seasonally adjusted
Quarterly



Unemployment

Seasonally adjusted
Quarterly



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Commentary

Labour market overview – seasonally adjusted

The March 2009 quarter Household Labour Force Survey (HLFS) showed that the labour market has continued to weaken, as both unemployment and the unemployment rate rose for the fifth consecutive quarter. Both employment and labour force participation declined this quarter.

Unemployment increased by 7,000 (6.1 percent) to reach 114,000 over the March 2009 quarter, driven by male unemployment, which increased by 6,000. Over the quarter, the number of people unemployed increased while the size of the labour force decreased, resulting in an increase in the unemployment rate of 0.3 percentage points, to 5.0 percent. The last time the unemployment rate reached 5.0 percent in the March 2003 quarter.

Employment decreased over the March 2009 quarter by 25,000 (1.2 percent), with both full-time and part-time employment decreasing.

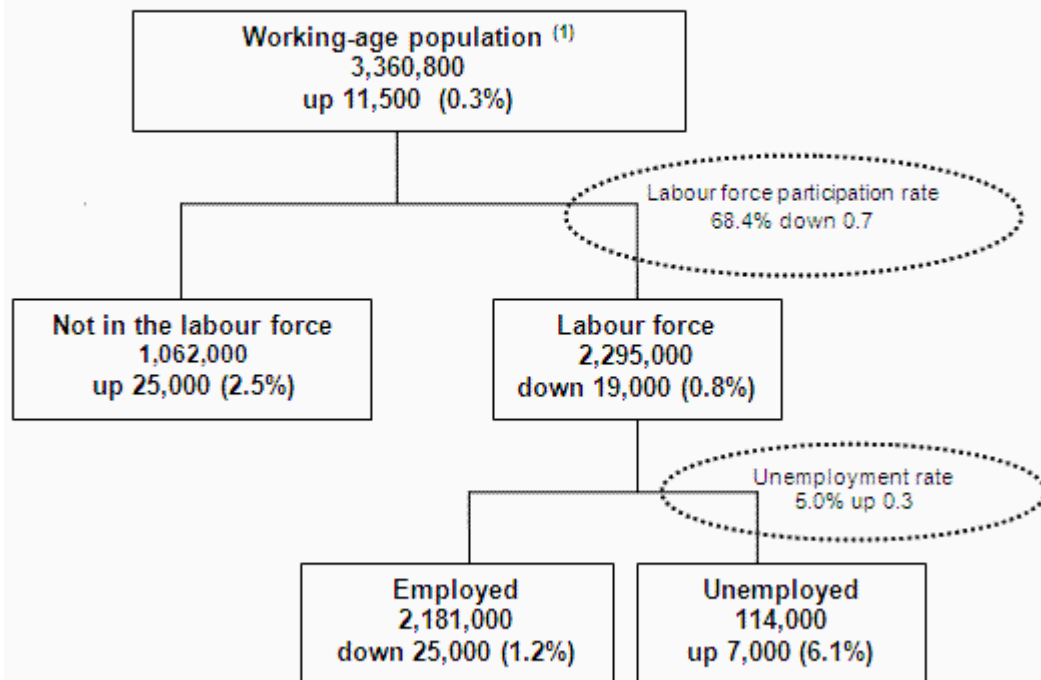
The number of people not in the labour force increased by 25,000 (2.5 percent) over the quarter, to reach 1,062,000.

The working-age population continued to grow over the March 2009 quarter, partly due to positive net permanent and long-term migration. This increase in the working-age population, combined with the decreased labour force, resulted in the labour force participation rate decreasing by 0.7 percentage points over the March 2009 quarter to 68.4 percent.

The Labour Market March 2009 Quarter

Seasonally adjusted figures

Quarterly Change



(1) The working-age population is not seasonally adjusted

Employment – seasonally adjusted

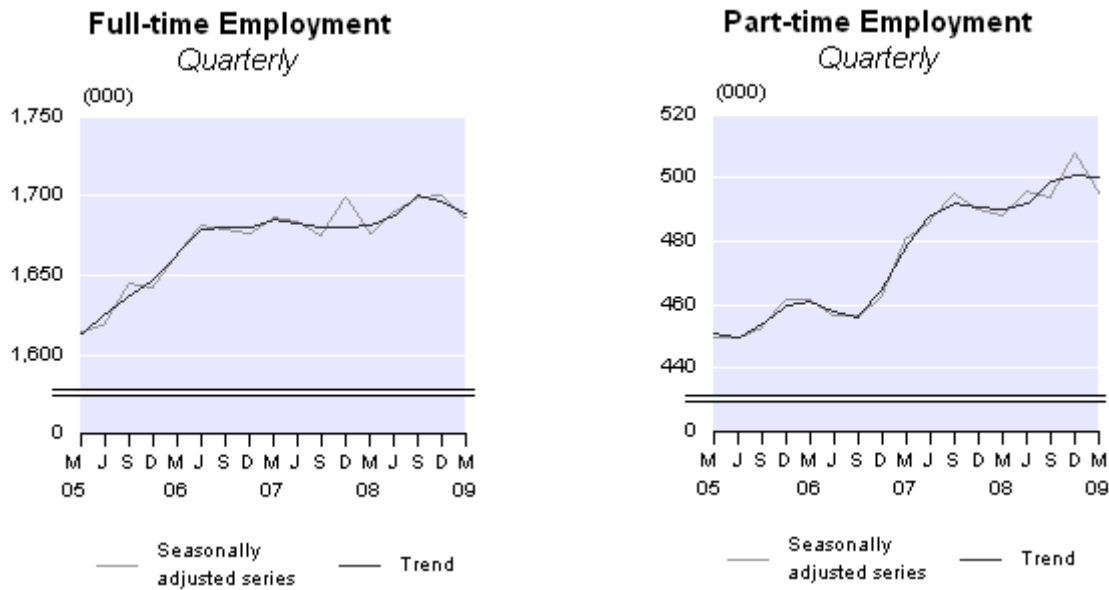
Employment decreased by 25,000 (1.2 percent) to reach 2,181,000 over the March 2009 quarter. However, compared with the March 2008 quarter, employment has increased by 17,000 (0.8 percent).

Over the March 2009 quarter both full-time and part-time employment decreased. Most of the decrease came from full-time employment which fell by 14,000 (0.8 percent), while part-time employment fell by 12,000 (2.5 percent).

Male employment decreased by 15,000 (1.3 percent) to 1,157,000 over the March 2009 quarter. This is the lowest seasonally adjusted figure recorded since the December 2006 quarter. The lower figure was due to decreases in both male full-time and part-time employment, down by 12,000 and 2,000 respectively. In annual terms, male employment decreased by 0.3 percent, with full-time employment decreasing by 12,000 and part-time employment increasing by 9,000 (1.2 and 6.9 percent, respectively).

Female employment also decreased over the March 2009 quarter, down by 11,000 (1.0 percent) to 1,025,000. Female part-time employment decreased by 8,000 (2.3 percent), and female full-time employment decreased by 4,000 (0.5 percent). In annual terms, female employment increased by 2.0 percent. Female full-time employment increased by 22,000 (3.4 percent), which was partly offset by female part-time employment decreasing by 2,000 (0.6 percent).

In the survey (unadjusted) series, there was a significant annual decrease in employment in the Auckland region, while there was a significant increase in the Wellington region. Employment among those aged 65 and over increased significantly, the only age demographic to show significant movement.



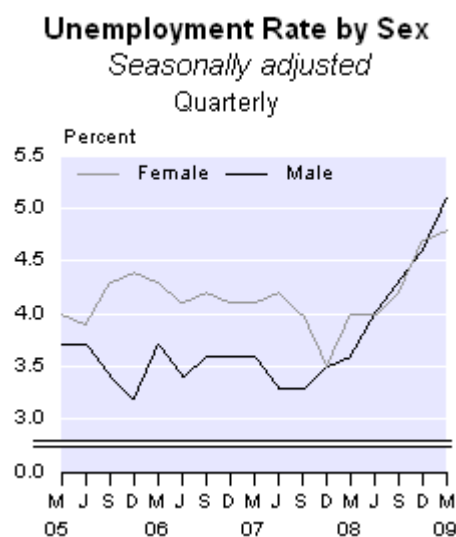
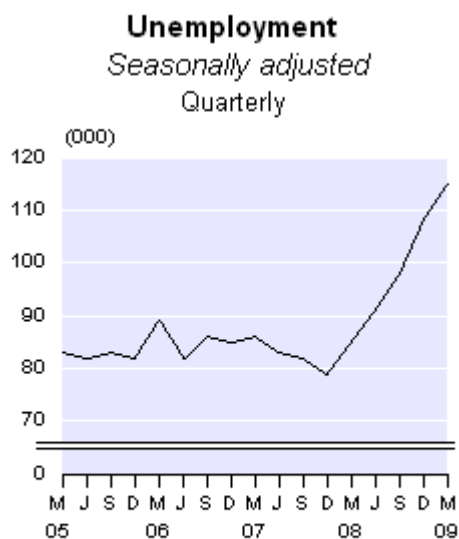
Unemployment – seasonally adjusted

The unemployment rate increased by 0.3 percentage points over the March 2009 quarter, to reach 5.0 percent. This is the first time the unemployment rate has reached 5.0 percent since the March 2003 quarter.

Over the March 2009 quarter, the male unemployment rate increased by 0.5 percentage points to 5.1 percent, while the female unemployment rate increased by 0.1 percentage points to 4.8 percent.

Annually, the male unemployment rate increased by 1.5 percentage points, while the female unemployment rate increased by 0.8 percentage points.

The number of people unemployed increased by 7,000 (6.1 percent), to reach 114,000 over the March 2009 quarter. This increase was driven by the number of unemployed males, which increased by 6,000 to 62,000 over the quarter. Annually, unemployment increased by 29,000 (34.2 percent). Male unemployment increased by 19,000, while female unemployment increased by 10,000.



Working-age population – unadjusted

The working-age population grew by 11,500 (0.3 percent) over the March 2009 quarter, and 38,100 (1.1 percent) over the year, to reach 3,360,800. This increase was partly due to a 3,800 net gain from mean net permanent and long-term migration in the March 2009 quarter.

In the year to March 2009, the working-age population increased significantly in the Wellington and Otago regions.

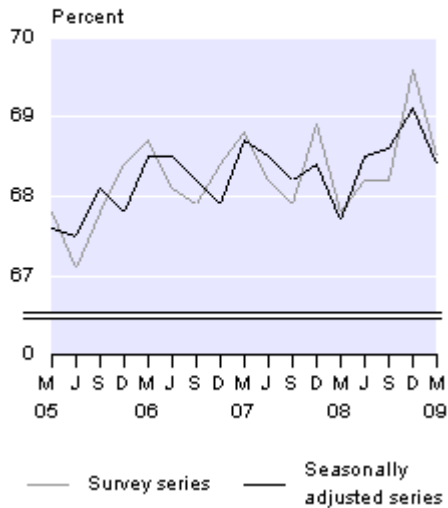
Labour force participation – seasonally adjusted

The labour force participation rate for the March 2009 quarter fell by 0.7 percentage points to 68.4 percent. Conversely, on an annual basis, the labour force participation rate rose 0.7 percentage points.

The female labour force participation rate fell by 0.6 percentage points to 62.3 percent over the March 2009 quarter. This is the third-highest female participation rate recorded by the survey. The male labour force participation rate also fell over the quarter, down 0.8 percentage points to 74.8 percent. Annually, both the female and male participation rates rose, 1.2 percentage points and 0.1 percentage points, respectively.

The total labour force decreased by 19,000 (0.8 percent) over the March 2009 quarter, to reach 2,295,000. Annually, the labour force increased by 46,000.

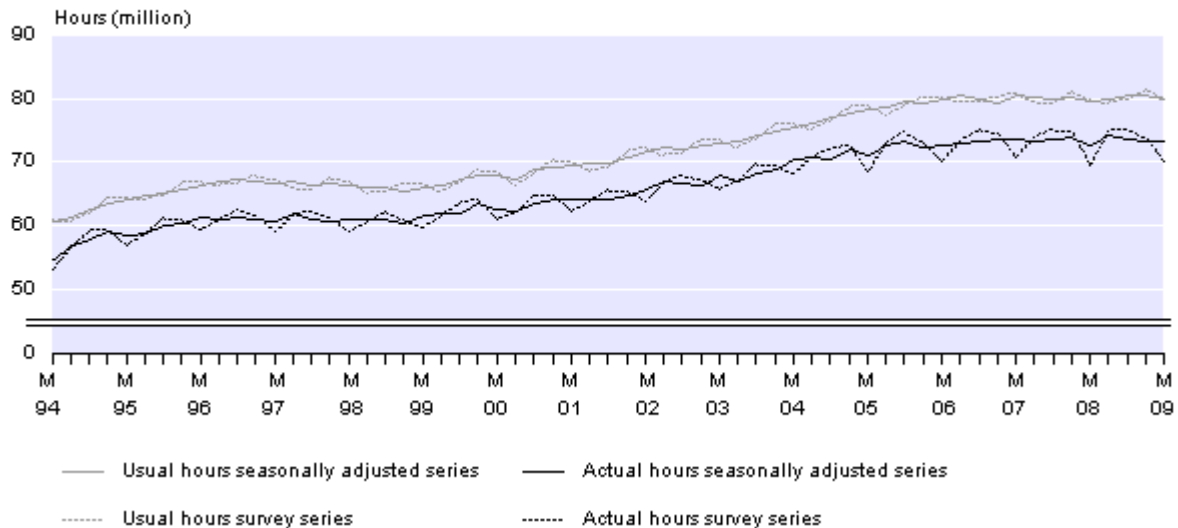
Labour Force Participation Rate Quarterly



Total hours worked – seasonally adjusted

The March 2009 quarter showed a slight increase in the total number of actual hours worked. The number of usual hours worked per week however, decreased 0.5 percent over the March 2009 quarter. On an annual basis, the number of actual hours worked and usual hours worked both increased, by 1.0 percent and 0.3 percent, respectively.

Total Hours Worked Each Week Quarterly



Jobless – unadjusted

The jobless are defined as those people who are either officially unemployed, available but not seeking work, or actively seeking work but not available. Annually, the total number of jobless

increased by 35,700 (18.9 percent), to reach 224,100. The number of discouraged workers more than doubled on an annual basis, to reach 5,400, up 3,000 (124.6 percent).

Underemployment – unadjusted

The number of underemployed people (those employed part-time who would like to work more hours) may serve as one measure of under-utilisation of labour in the economy. There were 477,000 people employed part-time in the survey series in the March 2009 quarter, 21.2 percent of whom (101,300) indicated a preference to work more hours. This compares with 19.3 percent and 16.5 percent for the December 2008 and September 2008 quarters, respectively.

In the March 2009 quarter, 27.0 percent of males employed part-time indicated a preference to work more hours, compared with 19.0 percent of females employed part-time.

Duration of unemployment – unadjusted

Short-term unemployment (those unemployed 26 weeks or less) increased to 94,400 in the March 2009 quarter, up from 65,000 in the March 2008 quarter. Over the same period, the number of long-term unemployed (those unemployed for more than 26 weeks) increased to 19,200 in the March 2009 quarter, up from 10,800 in the March 2008 quarter. Of the total number of people unemployed, 73.3 percent were in the short-term unemployment category in the March 2009 quarter, up from 67.8 percent in the March 2008 quarter.

Duration of unemployment (unadjusted)		
	March 2008 quarter (000)	March 2009 quarter (000)
Short-term unemployment 26 weeks or less	65.0	94.4
Long-term unemployment Over 26 weeks, but not over one year	7.7	14.7
Over one year, but not over two years	1.5	3.7
Over two years	1.6	S
Total long-term unemployment	10.8	19.2
Not specified	20.1	15.3
Total unemployment	96.0	128.8

Symbol:

S suppressed (please refer to the technical notes of this release for more information).

Participation in formal study – unadjusted

In the March 2009 quarter, 263,900 people were participating in formal study, a 10.1 percent increase from the same quarter in 2008. Of all unemployed people, 9.4 percent were participating in formal study in the March 2009 quarter. This compares with 9.0 percent of those not in the labour force, and 7.2 percent of those who were employed.

Ethnic group statistics – unadjusted

Ethnicity series are now published using the single/combination output method of classification. With this method, people are counted just once according to the ethnic group or combination of ethnic groups they have reported. Please refer to the technical notes of this release for more information.

Annually, unadjusted unemployment rates increased significantly for the European only, Pacific peoples only, European/Māori, and the ‘two or more groups not elsewhere included’ ethnic groups.

Single/combination unemployment rate (unadjusted) by ethnic group		
	March 2008 quarter (percent)	March 2009 quarter (percent)
European only	3.0	3.9
Māori only	10.2	10.7
Pacific peoples only	8.7	13.6
Asian only	5.8	6.7
MELAA only	10.4	12.0
'Other ethnicity' only	S	S
European/Māori	7.2	11.6
Two or more groups not elsewhere included	6.2	11.8

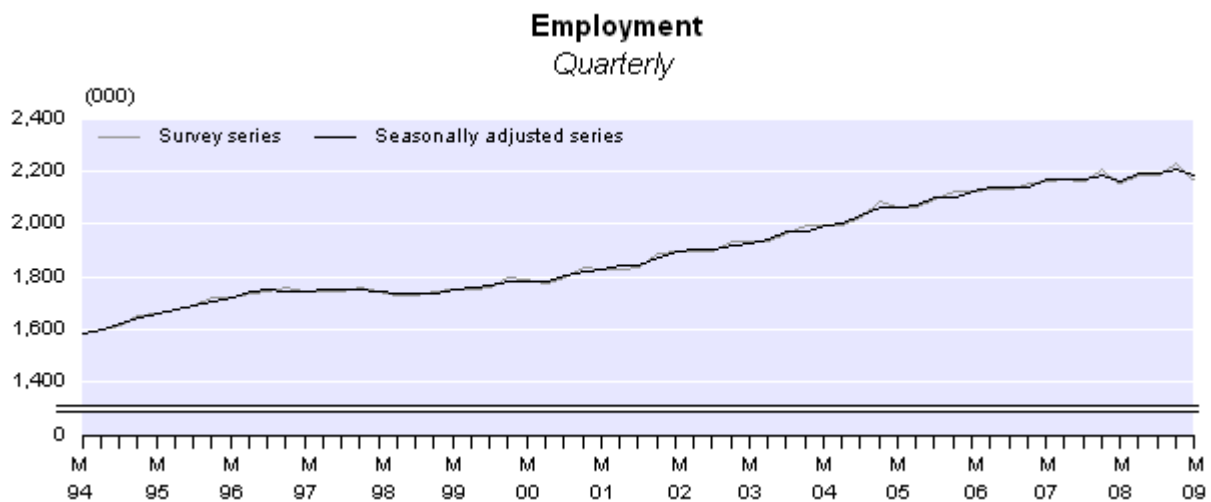
Note: MELAA = Middle Eastern/Latin American/African

Symbol:

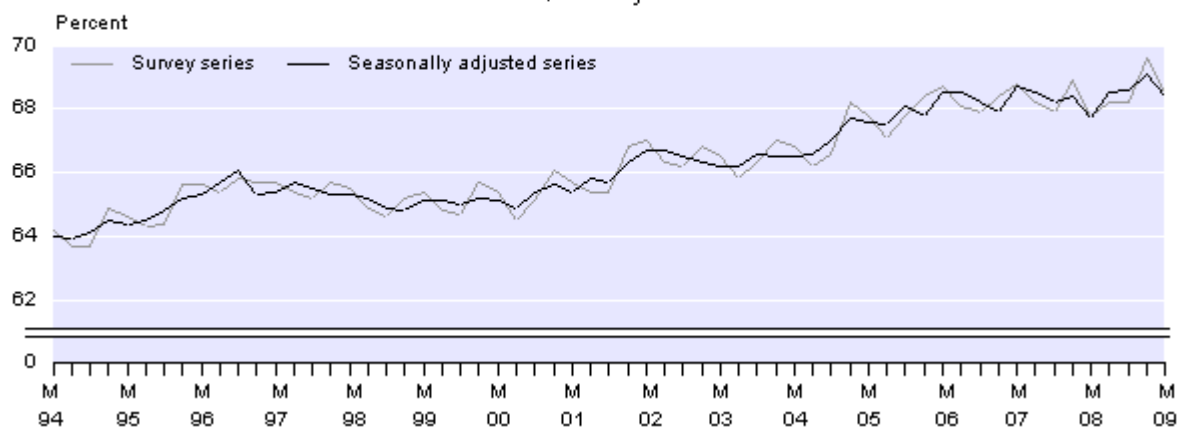
S suppressed (please refer to the technical notes of this release for more information).

Longer time series

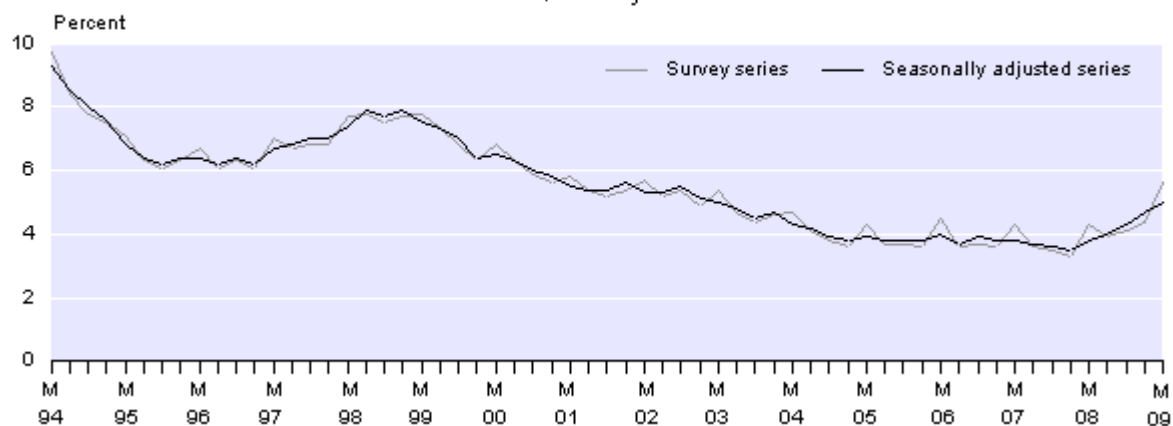
The following graphs show the HLFS series for the number of employed, the labour force participation rate, and the unemployment rate over a 15-year period. A complete time series from March 1986 onwards is available on request.



Labour Force Participation Rate Quarterly



Unemployment Rate Quarterly



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Next release ...

Household Labour Force Survey: June 2009 quarter will be released on 6 August 2009.

Technical notes

Background to the survey

The Household Labour Force Survey (HLFS) commenced in October 1985, and the first results published were for the March 1986 quarter. The survey provides a regular, timely and comprehensive portrayal of New Zealand's labour force. Each quarter, a range of statistics relating to employment, unemployment, and people not in the labour force is published.

In this release

These statistics are averages for the three-month period and do not apply to any specific point in time. Data sourced from the seasonally adjusted series and trend series are identified as such in the table or section headings. All other data, whether in the commentary or in tables, are sourced from the original survey series and are unadjusted.

This release follows on from the reweighted Household Labour Force Survey estimates, which were released on 20 April 2009 for the March 1986 to December 2008 quarters. The reweighted estimates incorporated population estimates which had been revised using results from the 2006 Census, and the introduction of Māori population benchmarks. HLFS estimates for the March 2009 quarter and future quarters will continue to use population estimates based on the 2006 Census and Māori benchmarks.

Figures presented in this release are rounded. Because each table contains rounded figures, there may be some small inconsistencies between the totals and individual cells. Unrounded figures have been used in the calculation of unemployment rates and labour force participation rates.

Cells with estimates of less than 1,000 have been suppressed and appear as 'S' in the tables. These estimates are subject to sampling errors too great for most practical purposes.

Seasonal adjustment

Seasonal adjustment aims to eliminate the impact of regular seasonal events on the time series. In the case of the labour market, there are cyclical events that occur at around the same time each year that affect labour supply and demand. For example, in summer time there is a large pool of student labour that is both available for, and actively seeking, work. There is also an increased demand for labour in the retail sector and in many primary production industries.

Seasonal adjustment makes data for adjacent quarters more comparable by smoothing out the effect on the time series of any regular seasonal events. This ensures that the underlying movements in the time series are more visible. Each quarter, the seasonal adjustment process is applied to the latest and all previous quarters. This means that seasonally adjusted estimates for any of the previously published quarters may change slightly.

Each series is adjusted separately. For this reason, the sum of the seasonally adjusted estimates for employment, unemployment and people not in the labour force will usually not add up to the working-age population estimates.

All seasonally adjusted and trend series are produced using the X-12-ARIMA Version 0.2.10 package developed by the US Bureau of the Census.

Trend series

For any series, the survey estimate can be broken down into three components: trend, seasonal and irregular. Trend series have had both the seasonal and irregular components removed, and reveal the underlying direction of movement in a series. Revisions to the trend series can be particularly large, especially if any estimates were considered to be outliers, but turn out to be part of the underlying trend. Typically, only the last two or three estimates will be subject to substantial revisions.

Survey scope

The target population for the HLFS is the civilian, usually resident, non-institutionalised population aged 15 years and over. This means that the statistics in this release do not cover long-term residents of homes for older people; hospitals and psychiatric institutions; inmates of penal institutions; members of the permanent armed forces; members of the non-New Zealand armed forces; overseas diplomats; overseas visitors who expect to be resident in New Zealand for less than 12 months; and those aged under 15 years.

Reliability of survey estimates

The HLFS sample contains about 15,000 private households and about 30,000 individuals each quarter. Households are sampled on a statistically representative basis from rural and urban areas throughout New Zealand, and information is obtained for each member of the household.

Each quarter, one-eighth of the households in the sample are rotated out and replaced by a new set of households. Therefore, the overlap between two adjacent quarters can be as high as seven-eighths. This overlap improves the reliability of quarterly estimates of change.

Two types of error are possible in estimates based on a sample survey: sampling error and non-sampling error.

Sampling error can be measured, and quantifies the variability that occurs by chance because a sample rather than an entire population is surveyed. A non-sampling error is very difficult to measure, and if present can lead to biased estimates. Statistics New Zealand endeavours to minimise the impact of these errors through the application of best survey practices and monitoring of known indicators (eg non-response).

Sampling errors are calculated for each cell in the published tables and for estimates of change between adjacent quarters. For example, the estimated total number of people employed in the March 2009 quarter is 2,173,000 before seasonal adjustment. This estimate is subject to a sampling error of plus or minus 21,700, or 1.0 percent (measured at the 95 percent confidence level). This means that there is a 95 percent chance that the true number of employed people lies between 2,151,300 and 2,194,700.

Smaller estimates, such as the number of people unemployed, are subject to larger relative sampling errors than larger estimates. For example, the estimated total number of people unemployed in the March 2009 quarter is 128,800 before seasonal adjustment. This estimate is subject to a sampling error of plus or minus 8,700, or 6.8 percent (measured at the 95 percent confidence level). This means that there is a 95 percent chance that the true number of unemployed people lies between 120,100 and 137,500.

Estimates of change are also subject to sampling error. For example, the survey estimate of change in total employment from the December 2008 quarter to the March 2009 quarter is a decrease of 54,900. This estimate is subject to a sampling error of plus or minus 18,600 (at the 95 percent confidence level). Therefore, the true value of the change in surveyed employment from the December 2008 quarter to the March 2009 quarter has a 95 percent chance of lying between -73,500 and -36,300.

A change in an estimate, either from one adjacent quarter to the next, or between quarters a year apart, is said to be statistically significant if it is larger than the associated sampling error. Therefore, the example quoted above represents a significant movement.

In general, the sampling errors associated with sub-national estimates (eg breakdowns by regional council or ethnic group) are larger than those associated with national estimates.

Response rates

The target response rate for the HLFS is 90 percent. The response rate is calculated by determining the number of eligible households who responded to the survey, as a proportion of the estimated number of total eligible households in the sample. The following table shows the HLFS response rates for the last five quarters. The response rate this quarter is lower than the target but still within acceptable bounds.

HLFS Response Rates	
Quarter	Response rate (%)
Mar 2008	85.5
Jun 2008	85.8
Sep 2008	89.0
Dec 2008	88.4
Mar 2009	89.2

Definitions of labour force category

The labour force category to which a person is assigned depends on their actual activity during a survey reference week. The following definitions, which conform closely to the international standard definitions specified by the International Labour Organization, are used for the HLFS:

Working-age population: The usually resident, non-institutionalised, civilian population of New Zealand aged 15 years and over.

Labour force: Members of the working-age population who during their survey reference week were classified as 'employed' or 'unemployed'.

Employed: All persons in the working-age population who during the reference week worked for one hour or more for pay or profit in the context of an employee/employer relationship or self-employment; or worked without pay for one hour or more in work which contributed directly to the operation of a farm, business or professional practice owned or operated by a relative; or had a job but were not at work due to: own illness or injury, personal or family responsibilities, bad weather or mechanical breakdown, direct involvement in an industrial dispute, or leave or holiday.

Unemployed: All persons in the working-age population who during the reference week were without a paid job, available for work and had either actively sought work in the past four weeks ending with the reference week, or had a new job to start within the next four weeks.

Not in the labour force: Any person in the working-age population who is neither employed nor unemployed. For example, this residual category includes persons who:

- are retired
- have personal or family responsibilities such as unpaid housework and childcare
- attend educational institutions
- are permanently unable to work due to physical or mental disabilities
- were temporarily unavailable for work in the survey reference week
- are not actively seeking work.

Unemployment rate: The number of unemployed persons expressed as a percentage of the labour force.

Labour force participation rate: The total labour force expressed as a percentage of the working-age population.

This definition of labour force participation includes all those aged 15 years and over in the numerator (the total labour force) and the denominator (the working-age population). This definition is the most appropriate for the New Zealand labour market, as New Zealand does not have a compulsory retirement age, and many workers stay in the labour force beyond the age of 65. Using this definition also means that the measure will reflect changes in labour market demographics, in particular the increasing number of employees working beyond 65 years.

Several alternative definitions of labour force participation rate are in use by other organisations; they differ in regard to age of the working-age population and the inclusion of military personnel. A common definition is to restrict the labour force and working-age population to the 15- to 64-year age group, particularly in countries with a compulsory retirement age. Generally, this definition leads to a higher figure. Using this definition for the New Zealand HLFS in the March 2009 quarter gives a surveyed figure of 78.0 percent.

Industry statistics

Some categories in table 7 are combined ANZSIC (1996) divisions. The category titled wholesale and retail trade, etc is the combined wholesale and retail trade, and accommodation, cafes and restaurants divisions. The transport, storage and communication category is the combined transport and storage division, and the communication services division. Combining the finance and insurance division with the property and business services division has formed the business and financial services category. The other services category includes government administration

and defence, cultural and recreational services, and personal and other services. The disaggregation of these combined one-digit ANZSIC categories is available using *Infoshare* on the Statistics NZ website, or by request.

Formal study statistics

To be participating in formal study, an individual must be working towards a qualification that takes three or more months of full-time study to complete. Full-time study is defined as 20 or more hours per week.

Māori benchmarks

Prior to April 2009, the Māori working-age population was not benchmarked to population estimates. This, along with other sample design restrictions, caused a high degree of volatility in Māori statistics of the HLFS. Movements in the working-age population estimates of certain ethnic groups such as Māori may reflect this volatility, rather than a real change in the estimated ethnic demographic.

Including Māori benchmarks in the working-age population mitigates the known undercount of Māori in the HLFS and also results in smoother time series for Māori. However, introducing the Māori population benchmarks does not necessarily translate to improved estimates for non-Māori ethnic groups.

Ethnic statistics

In the September 2008 quarter, the HLFS started publishing ethnicity data using the single/combination output method. This created a complete break in the ethnicity series, as the prioritisation of ethnic groups was no longer produced. Using the single/combination ethnicity output, people are counted just once according to the ethnic group or combination of ethnic groups they have reported. This means that the total number of responses equals the total number of people who stated an ethnicity.

In the December 2007 quarter, the HLFS began collecting ethnicity data using the 2005 New Zealand standard classification of ethnicity. The new single/combination ethnicity tables contain five quarters worth of data using the 2005 classification. The 2005 classification of ethnicity enables the HLFS to collect and output more detailed ethnicity data, especially for the Asian ethnic group, which was not previously collected.

Using the total response ethnicity output, people who reported more than one ethnic group are counted once in each group reported. This means that the total number of responses for all ethnic groups can be greater than the total number of people who stated their ethnicities. The table below shows the total response for the December 2008 and March 2009 quarters of the HLFS.

Total Response HLFS Ethnicity Data for Working-age Population⁽¹⁾		
Ethnic group	December 2008 quarter	March 2009 quarter
European	2,582,200	2,560,200

Māori	419,500	421,100
Pacific peoples	179,300	186,600
Asian	324,100	333,400
MELAA ⁽²⁾	27,500	27,700
Other	40,600	46,700

(1) The sum of ethnic groups will not add up to the total working-age population as the total response method of grouping ethnicity data counts each response given by an individual.

(2) MELAA = Middle Eastern/Latin American/African.

To read about the 2005 New Zealand *standard classification of ethnicity* please go to the Statistics NZ website, www.stats.govt.nz.

Household statistics

A household's labour force status is derived by looking at the labour force status of members in the household aged between 18 and 64 years. For example, if a couple is living by themselves and one is aged 64 and the other is aged 65, this couple will be assigned to the 'All employed' or 'None employed' category, depending on the labour force status of the 64-year-old. Households that have no members between the ages of 18 and 64 years have been excluded from this analysis.

The household categories incorporate the concept of dependent children rather than just children. A child is a person of any age who usually resides with at least one parent (natural, step, adopted, or foster) and who does not usually reside with a partner or child(ren) of his or her own. Statistics NZ defines a dependent child as a child aged under 18 years and not in full-time employment.

More information

For more information, follow the [link](#) from the technical notes of this release on the Statistics NZ website.

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Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [*Excel file viewer*](#) to view, print and export the contents of the file.

1. People employed, unemployed and not in labour force, by sex, seasonally adjusted series
2. People employed, unemployed and not in labour force, by sex, trend series
3. People employed, unemployed and not in labour force, by sex
4. Total people employed, unemployed and not in labour force, by age group
5. Total people employed, unemployed and not in labour force, by ethnic group
6. Total people employed, unemployed and not in labour force, by regional council area
7. People employed, by industry and sex
8. The jobless: those without a job and wanting a job, by sex
9. Total actual hours worked
10. Household composition, by household labour force status
11. Underemployment, by sex
12. People employed, unemployed, not in the labour force and total actual hours worked, seasonally adjusted series
13. Harmonised unemployment rates in OECD countries, latest available
14. Total people employed, unemployed and not in labour force, by sex and formal study status

Erratum

Corrections have been made to the *Household Labour Force Survey: March 2009 quarter*, originally released on 7 May 2009.

March 2009 was the first quarter in which we attempted to apply Māori benchmarks via the usual production system. However, an error in grouping ages meant the benchmark was applied incorrectly.

Although there is a minor impact on all published estimates for the March 2009 quarter, as well as the last several observations in seasonally adjusted and trend data, revisions to the March 2009 quarter data are not substantive at a national level.

Difference Between Originally Published and Revised High Level Estimates			
Seasonally adjusted	March 2009 quarter originally published	March 2009 quarter revised	Difference
Unemployment rate	5.0%	5.0%	0
Unemployed	115,000	114,000	-1,000
Employed	2,182,000	2,181,000	-1,000
Not in the labour force	1,061,000	1,062,000	+1,000
Labour force participation rate	68.4%	68.4%	0

The corrected tables have been republished to the website. Infoshare will be updated with the corrected numbers at 10.45am 11 June 2009.

Statistics New Zealand regrets any inconvenience caused by these errors.