Tracking wellbeing in Aotearoa New Zealand: Those who receive main benefits

Findings report

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Acknowledgement and Disclaimer

Tracking wellbeing: Project Context

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

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

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

Several government ministries have undertaken initiatives to track wellbeing in ways that align with the policy advice they provide government. Examples of these initiatives include:
- The Treasury's Living Standards Dashboard
- Statistics NZ's Indicators Aotearoa
- Ministry of Health's Annual Data Explorer

Importantly, these existing resources also support sub-group analysis by ethnic group. These approaches, however, do not support sub-group analysis that are most important for MSD's income support policy advice. In particular:
- Family type groups that match the family types used to assess entitlement for income support; and,
- Those who are supported by main benefits.

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

This report: Those who receive main benefits

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

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

The three other reports as part of the series are:

- Tracking wellbeing in Aotearoa New Zealand: Family types: This findings report focuses on trends in wellbeing among four key family types that broadly align with family types used for determining income support eligibility: 1) Couples with dependent children; 2) Couples without dependent children; 3) Single parents with dependent children; and, 4) Sole people without dependent children.

- Tracking wellbeing in Aotearoa New Zealand: Main benefits and family types: This findings report focuses on the intersection between benefit receipt and family types, examining trends in wellbeing by family type among those who receive a main benefit and those who do not.

- Tracking wellbeing in Aotearoa New Zealand: Methodological report: This report contains detailed information on the methodological approach taken to construct the datasets and measures that produce the wellbeing estimates in the findings reports.

Data and sample

IDI data sources

Wellbeing outcomes and sociodemographics	Benefit receipt
Survey data	Administrative data

NZ General Social Survey (NZGSS) *n* = ~8,000 per year *Biennial: 2008-18**	Household Labour Force Survey (HLFS) *n* = ~15,000 *2020**	MSD benefit receipt data 2005-2021

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

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

Data on wellbeing and other sociodemographic information, such as those needed to construct family type, come from the 2008-2018 New Zealand General Social Survey (NZGSS) and from the 2020/21 Household Labour Force Survey (HLFS).

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

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

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

Wellbeing domains and main benefit receipt

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

Socioemotional wellbeing	**Economic wellbeing**	**Housing**
Health	**Social connectedness**	**Safety**

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

Main benefit receipt

- Data on benefit receipt comes from MSD's benefit data, which captures information on people's main benefit and supplementary payment receipt, including start and end dates of benefit receipt spells.

- The benefit receipt date is linked with the date respondents took the survey—the same survey from which we draw wellbeing data—to determine eligibility receipt during certain time frames.

- In this report, we focus on **main benefit receipt in the past 12 months** prior to the day of wellbeing survey completion. Main benefit refers to income assistance such as Jobseeker Support, Sole Parent Support, and the Supported Living Payment.

- Benefit receipt status reflects the benefit receipt of the survey respondent, *not* of the household (i.e., benefit receipt by any household member).

- Wellbeing estimates for those receiving any MSD benefit, including supplementary payments such as the Accommodation Supplement and Winter Energy Payment, and receiving a benefit during other time periods (i.e., past 30 days, in 30 or more of the past 36 months) can be found in the supplementary tables.

Analytical approach and limitations

Analytical approach

The estimates produced are bivariate statistics, with wellbeing estimates presented as means and proportions depending on how the outcome was measured. The data were pooled and estimated for each year separately, by main benefit receipt. The figures are presented with 95% Confidence Intervals (CIs) to provide information on statistical differences between groups and over time.

The supplementary tables contain these estimates and CIs, along with t-test and chi^2 tests for key comparisons.

Weighting

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

Analysis interpretation and data limitations

- Findings should be interpreted as a snapshot of a group of people's experiences, on average, at a given point in time.
- Findings are correlational, *not causal*. Other factors might explain differences between those who received benefits versus those who did not that are associated with wellbeing and overrepresentation in the population receiving benefits, such as disability status, gender, and age. For example, single persons have higher rates of loneliness *and* are a greater proportion of those receiving a benefit than in the general population, meaning higher rates of loneliness among those receiving benefits can be partially explained by being overrepresented by single persons.
- Comparisons are made across many years—years in which the proportion of the population receiving main benefits has changed, as too the sociodemographic composition of those receiving main benefits. It is important to contextualise the interpretation of these findings with these changes in mind. More information on these compositional shifts can be found in the Methodological report.
- While the surveys used are national-representative of key sociodemographic variables, these surveys have been found to undercount those receiving benefits. Although we can address some of this undercount by linking administrative benefit data to the social surveys (i.e., helping address the issue of under-reporting by survey respondents), those receiving benefits are also less likely to be respondents on social surveys, generally. This means that the sample receiving a benefit may not be representative of the most vulnerable in the population.

Findings summary: Benefit receipt

Socioemotional wellbeing

Socioemotional wellbeing among those receiving benefits was lower than for those not receiving benefits, although findings over time point to a modest narrowing in the wellbeing gap.

Economic wellbeing

There was an improvement in income adequacy for those receiving benefits, particularly between 2018 and 2020, and employment remained steady.

Housing

There were improvements in house coldness and dampness over time for those receiving and not receiving benefits, but housing condition gaps remain.

Health

There are consistent and large gaps in self-reported health between those who received a main benefit and those who did not.

Social connectedness

Indicators of social connectedness remained mostly stable, with increases in trust in parliament among those receiving a benefit, but also increases in experiencing discrimination.

Safety

There were Increases in feeling safe in the community and declines in being a victim of crime among those receiving a benefit, however the gap between those receiving a benefit and those not remained the same.

Socioemotional wellbeing: Life satisfaction

Differences in life satisfaction between those who received a benefit in the past year compared with those who had not remained fairly consistent across time, with a slight convergence between 2016 and 2018 - 2020.


Life satisfaction scale score: by main benefit receipt in the past year

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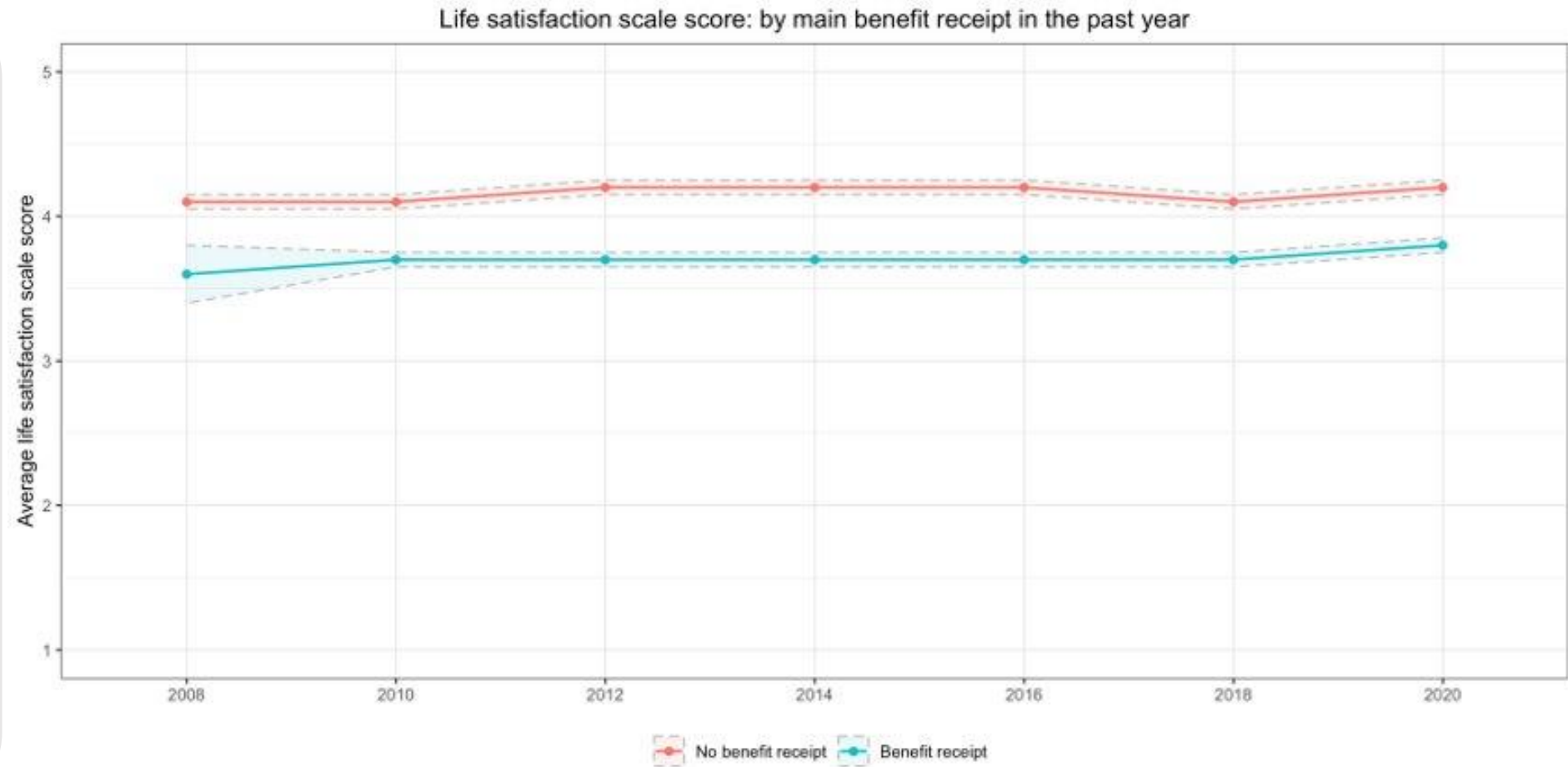
Note: "How do you feel about your life as a whole?" *1* = very/completely dissatisfied; *5* = very/completely satisfied.
Measurement change between 2008-2012 (1-5 scale) and 2014-2020 (0-10 scale). 0-10 scale collapsed to 1-5 scale.

Socioemotional wellbeing: Self-actualisation

Those who received a main benefit in the past year reported lower levels, on average, of ease of expressing their identity compared to those who did not receive a benefit in the past year.

The gap which widened between 2012 and 2014 should be treated with caution given changes in survey question wording between those periods.


Ability to express identity scale score: by main benefit in the past year
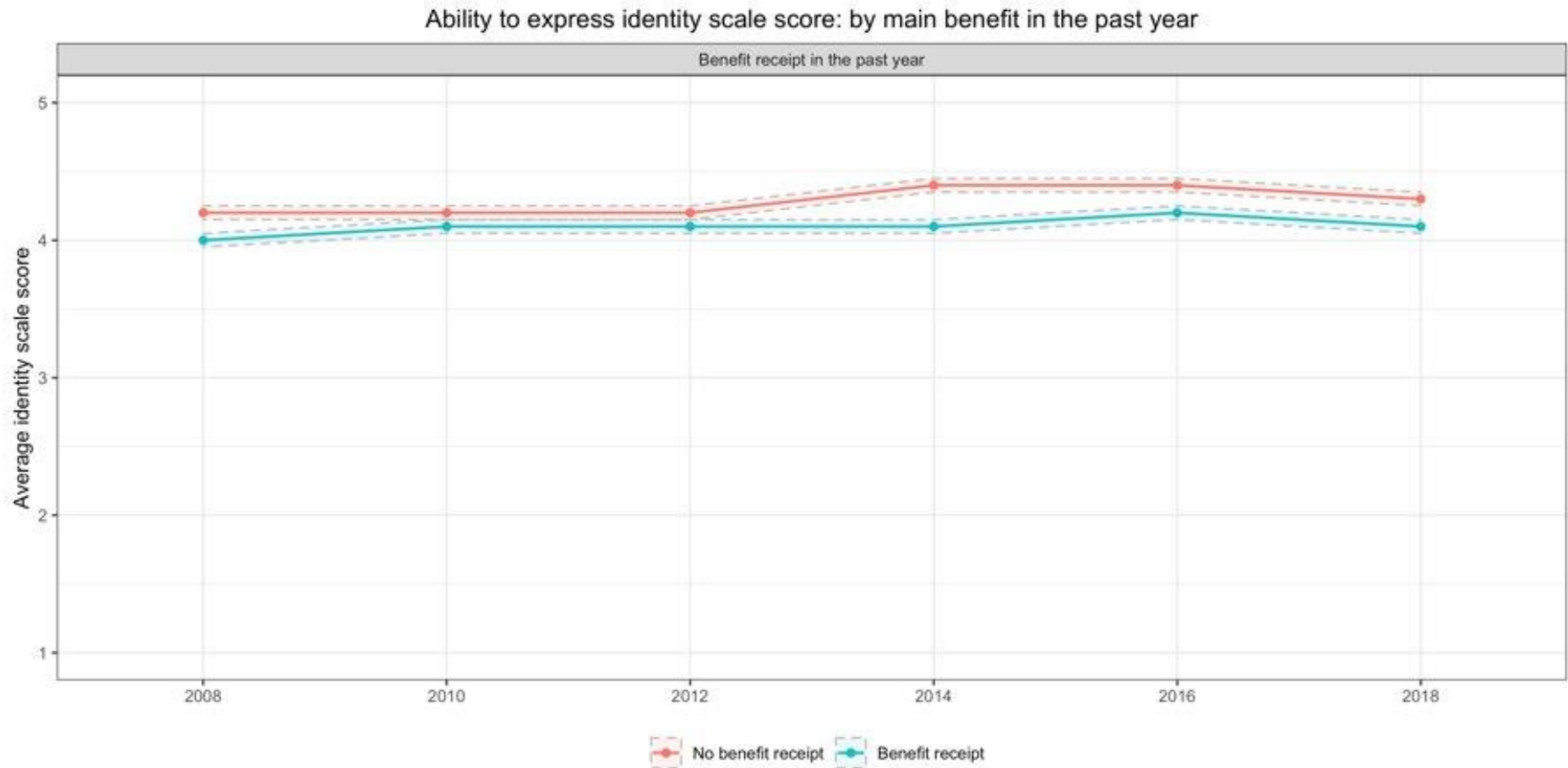
Data source: StatsNZ IDI

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

Socioemotional wellbeing: Family wellbeing

Although those receiving a benefit in the past year reported lower family wellbeing than those who did not receive a benefit, there was a narrowing of the gap between 2018 and 2020 due to an increase in reported family wellbeing among those receiving a main benefit.

Family wellbeing scale score: by main benefit in the past year
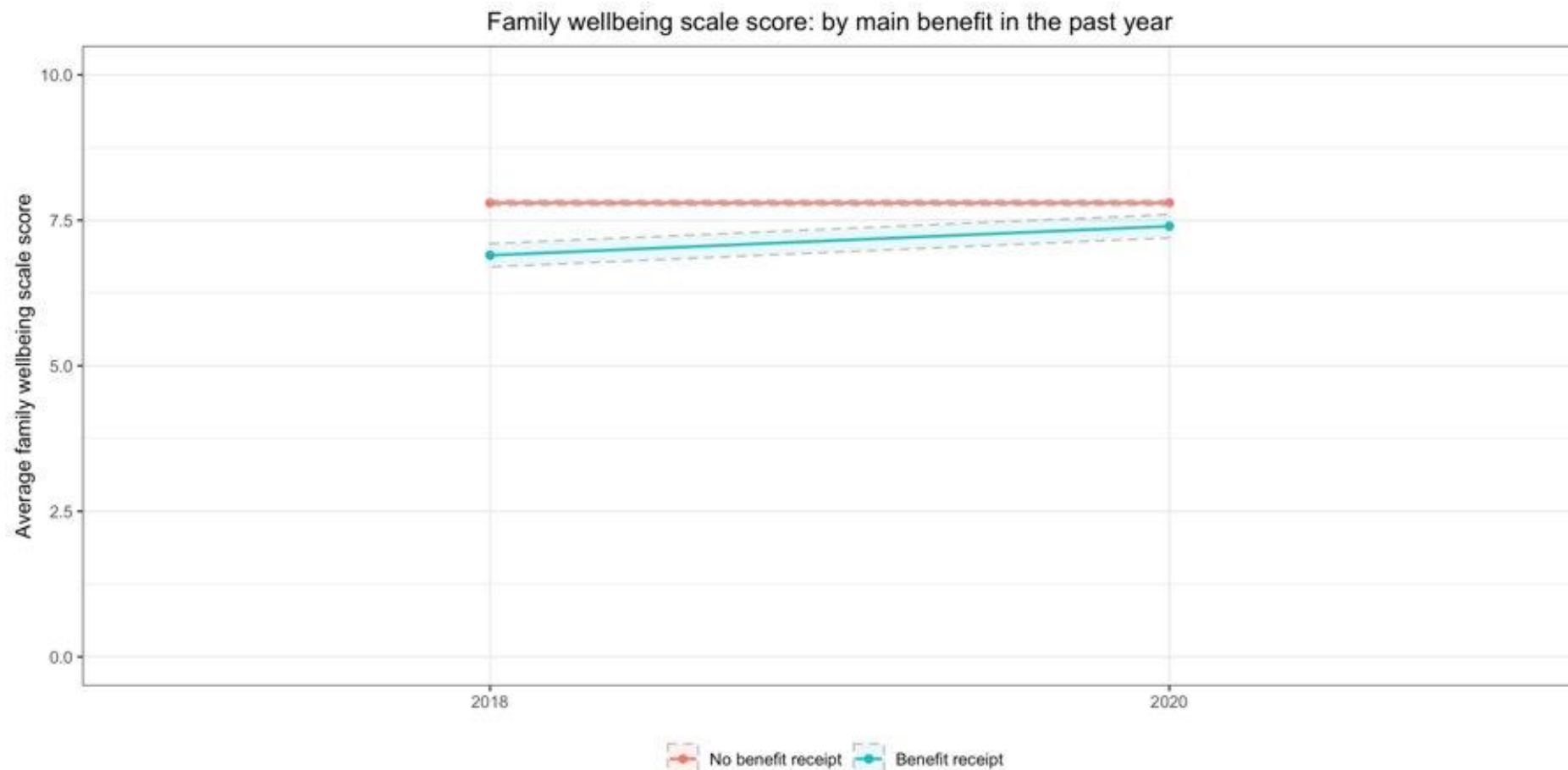

Data source: StatsNZ IDI

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

Economic wellbeing: Income inadequacy

Those receiving a benefit in the past year were more likely to report that they did not have enough money to meet their everyday needs, compared with those not receiving a benefit.

Both groups experienced declines in the proportion reporting not having enough money over time. The decline, however, was steeper for those receiving a benefit, going from 44% in 2008 to 26% in 2020, with the largest decline between 2018 and 2020.

This modestly narrowed the gap between those receiving a benefit and those who did not by 2020—coinciding with increases in the accommodation supplement and introduction of the winter energy payment.

Percent with not enough money to meet everyday needs:
by main benefit in the past year

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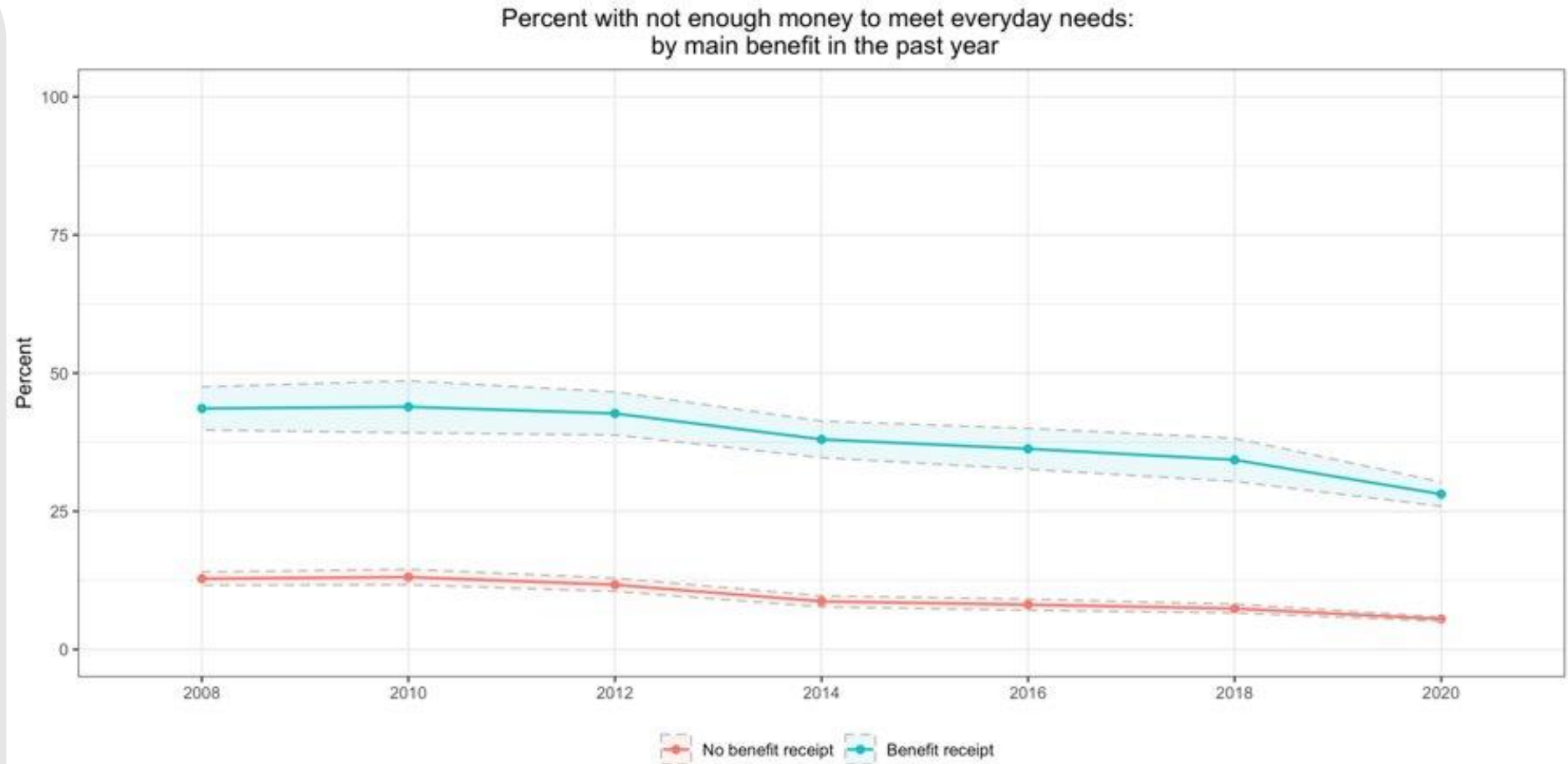
Note: "How well does [your household] income meet your everyday needs, for such things as accommodation, food, clothing and other necessities?" *1* = not enough money; *2* = only just enough money; *3* = enough money; *4* = more than enough money. Figure displays percent who reported not enough money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

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Economic wellbeing: Material wellbeing

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

There was a decline in material wellbeing between 2012 and 2014 for those who received a main benefit in the past year. Another decline between 2016 and 2018 was similar to the size of the decline for those who did not receive a main benefit in the past year.

The material wellbeing scale was not available in 2020—which we note is the period where income adequacy improved on the other material hardship measure.

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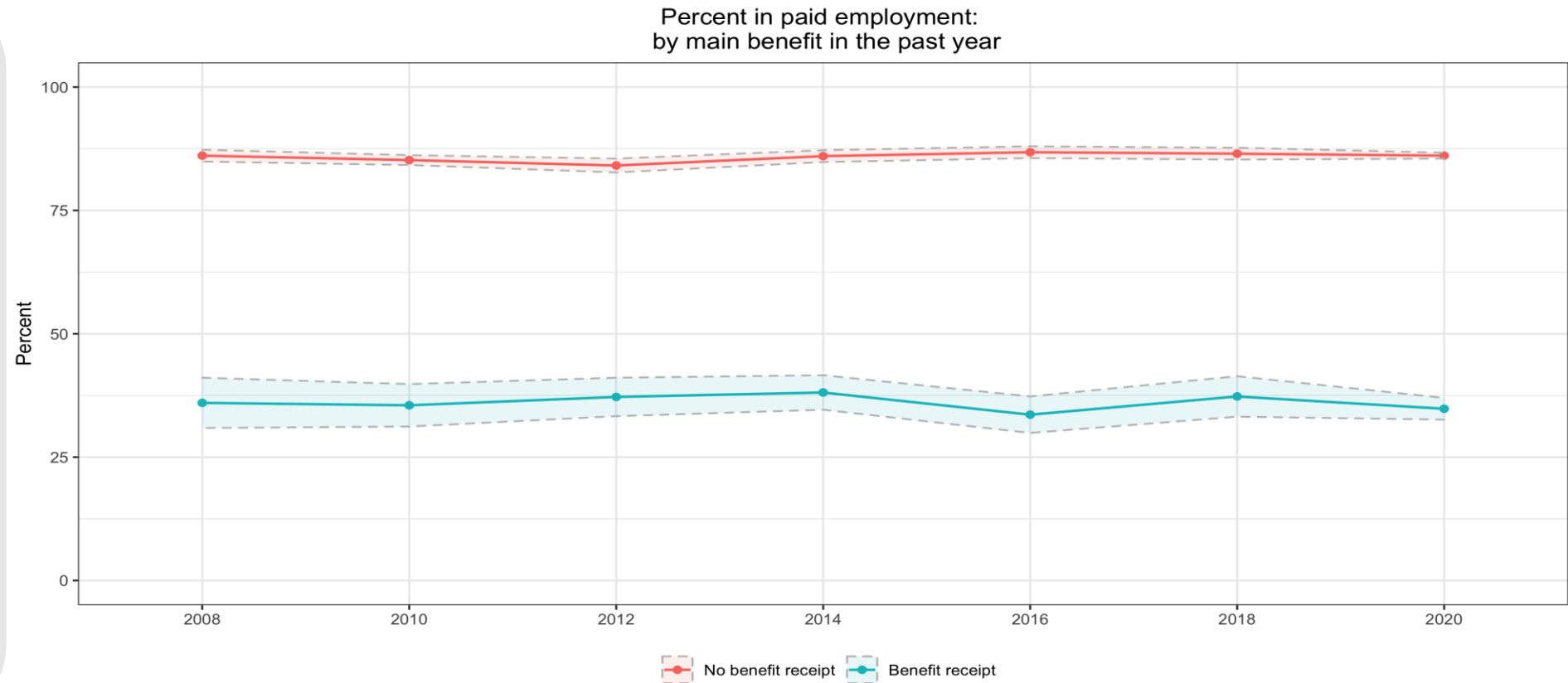
Data source: StatsNZ IDI
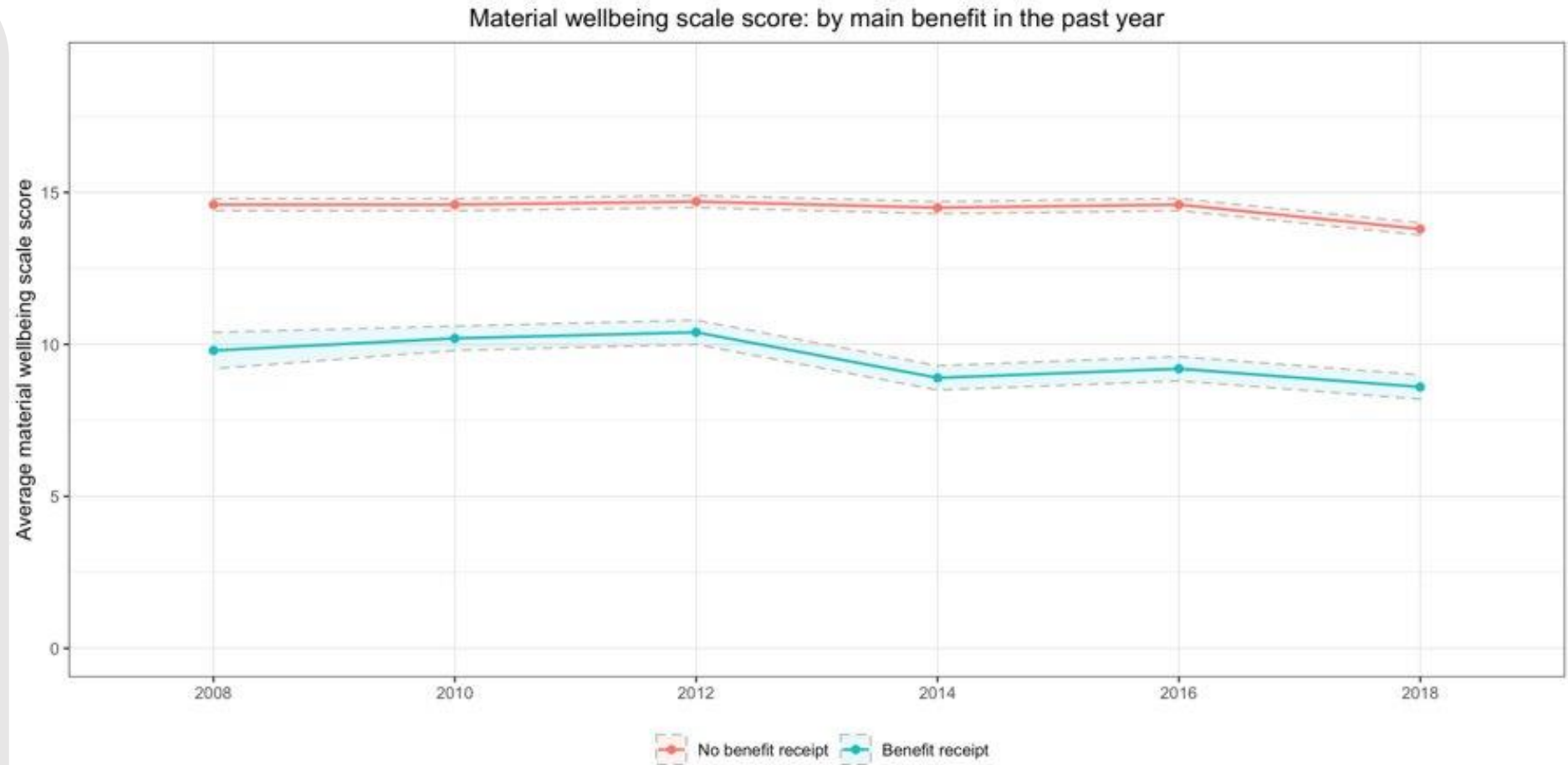
Note: Material wellbeing measure in 2008-2012 NZGSS (the Economic Living Standards Index) was deflated to approximate the Material Wellbeing Index (MWI) in 2014-2018 for comparability over time. This deflation resulted in a distribution of 0-19 in 2008-2012 and a distribution of 0-20 in 2014-2018. The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

Economic wellbeing: Employment

Those who received a main benefit in the past year were much less likely to report being employed (vs. unemployed or not working) compared to those who did not receive a main benefit.

This gap stayed consistent from 2008 through 2018, with a slight, non-significant, decline between 2018 and 2020 for those receiving a main benefit.

Percent in paid employment:
by main benefit in the past year

Data source: StatsNZ IDI

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

Housing: Coldness not a major problem

Those receiving a main benefit in the past year were more likely to report that coldness was a major problem compared with those who had not received a main benefit.

This gap widened between 2012 and 2014 before large improvements in housing warmth between 2018 and 2020. In 2018, 59% of those receiving a benefit reported coldness not being a major problem. This increased to 85% in 2020. Among those who did not receive a benefit in the past year, this increase was from 78% to 95%.

It is important to note that changes in the measurement may account for some of the changes at key points (i.e., 2012-2014 and 2018-2020), but also that changes in the Residential Tenancies Act in 2016 may have increased insulation compliance by 2019.

Percent reporting coldness not being a major problem in their home: by main benefit in the past year
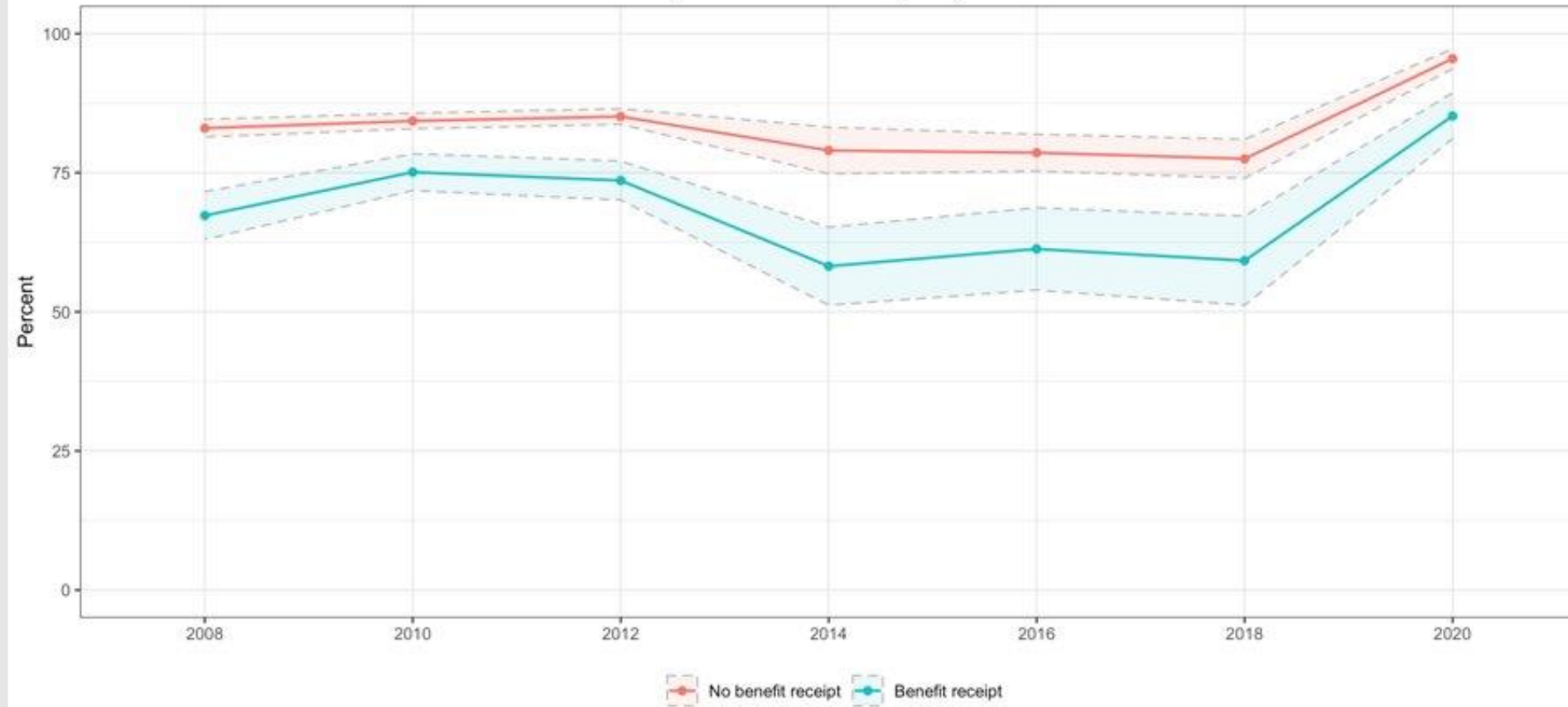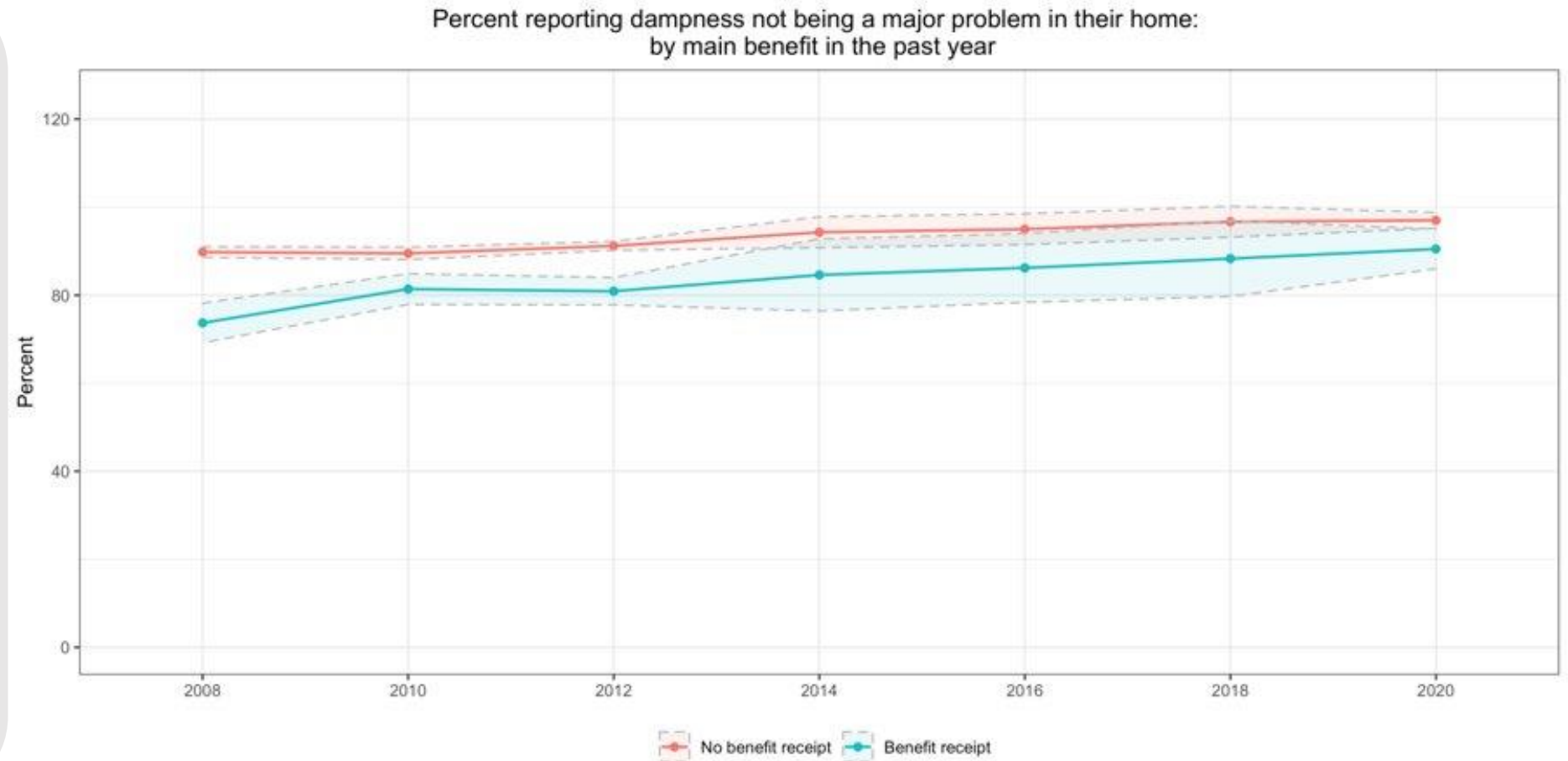
Data source: StatsNZ IDI

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

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

This increase was larger for those who had received a main benefit in the past year (from 74% to 91%–a 17 percentage-point increase) than for those who did not receive a main benefit in the past year (from 90% to 97%)—narrowing the gap in reports of dampness.

Percent reporting dampness not being a major problem in their home: by main benefit in the past year

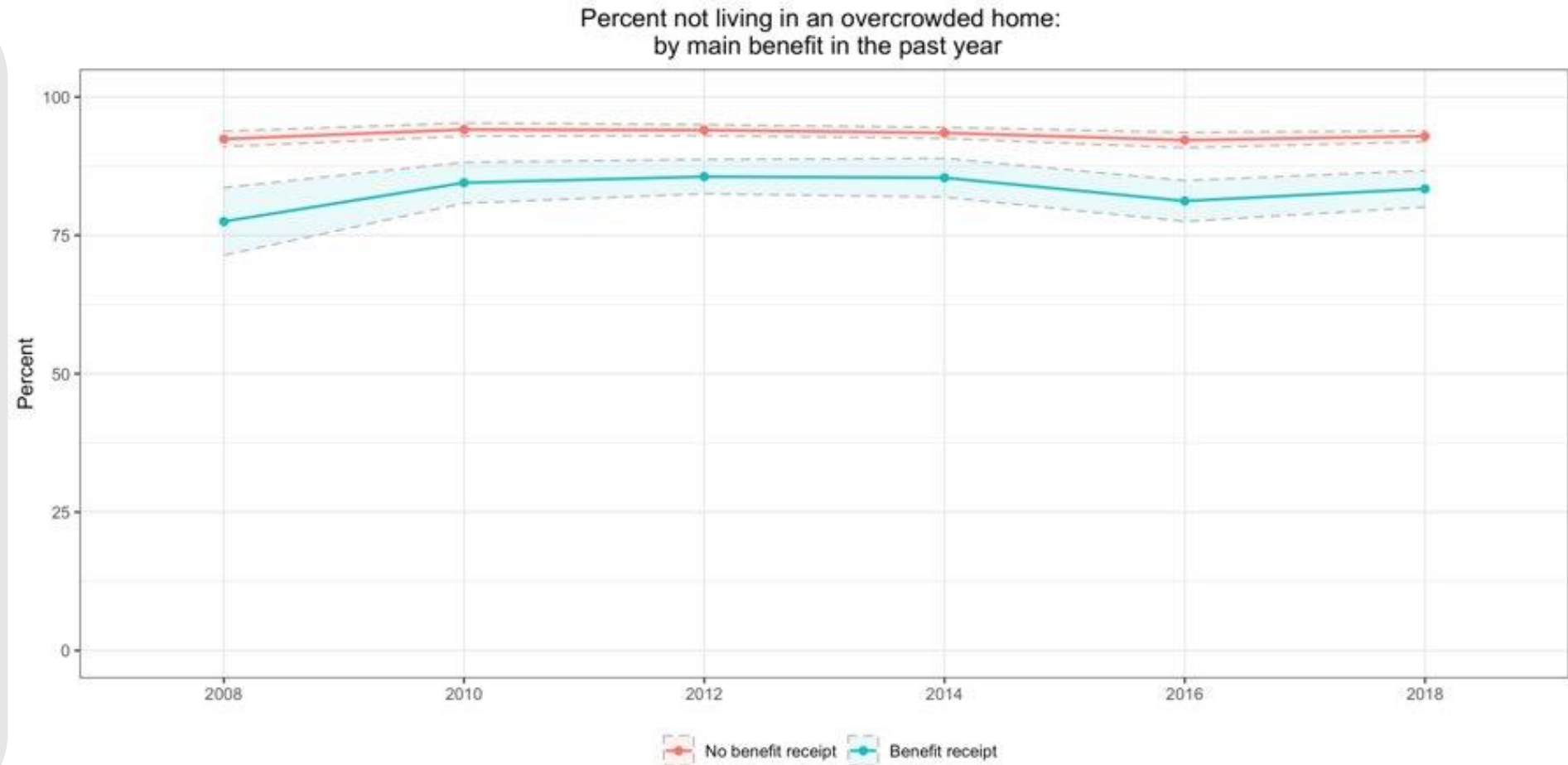No benefit receipt · Benefit receipt

Data source: StatsNZ IDI

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

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

Housing: Not in an overcrowded home

People who received a main benefit in the past year were less likely than those who did not receive a main benefit to be living in a home that had enough bedrooms for household members.

Rates remained consistent across time for those who received a main benefit in the past year and those who did not, apart from a modest increase between 2008 and 2010 for those receiving a main benefit in the proportion of those who lived in homes with enough bedrooms for household members.

Percent not living in an overcrowded home:
by main benefit in the past year

Data source: StatsNZ IDI

No benefit receipt   Benefit receipt

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

Health: General self-report health

Levels of self-rated health remained consistent across the time period for both benefit status groups.

These trends resulted in a large and persistent gap in self-reported health, with those receiving a main benefit in the past month reporting, on average, a scale score of 3.0 on the 1-5 scale, compared with 3.7 among those who did not receive a benefit. This was close to a one standard deviation difference.

It is important to note that the persistent health gap reflects the fact that a significant proportion of people receiving a benefit do so because their health has deteriorated in ways that makes it challenging to work in paid employment.


Self-reported health scale score: by main benefit receipt time period
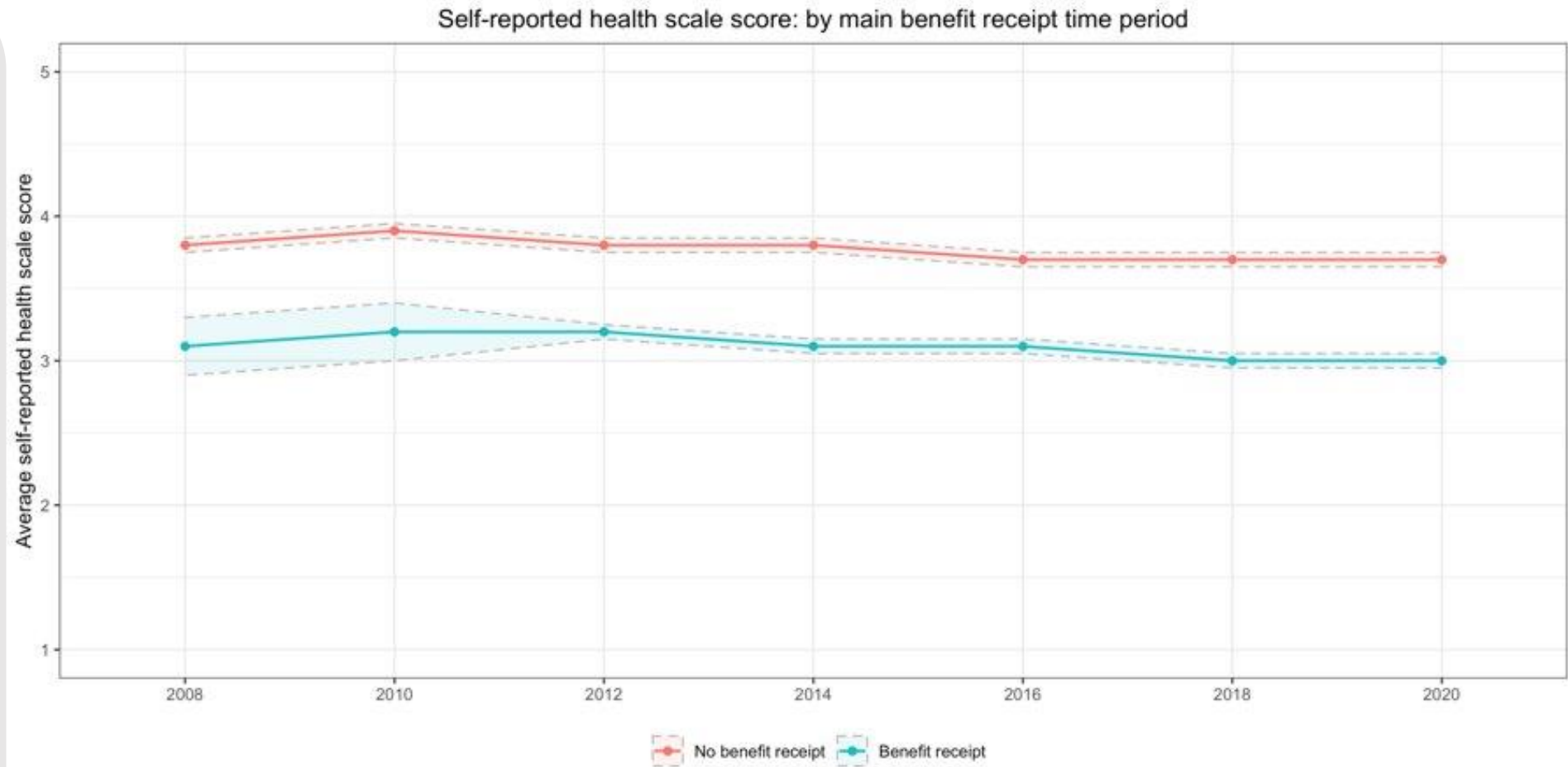
Data source: StatsNZ IDI

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

Social connectedness: Loneliness

Feelings of loneliness remained consistent between 2014 and 2020, with a persistent gap in loneliness that saw higher levels among those who received a main benefit in the past year compared with those who did not receive a main benefit.


Feelings of loneliness in the past four weeks: by main benefit in the past year
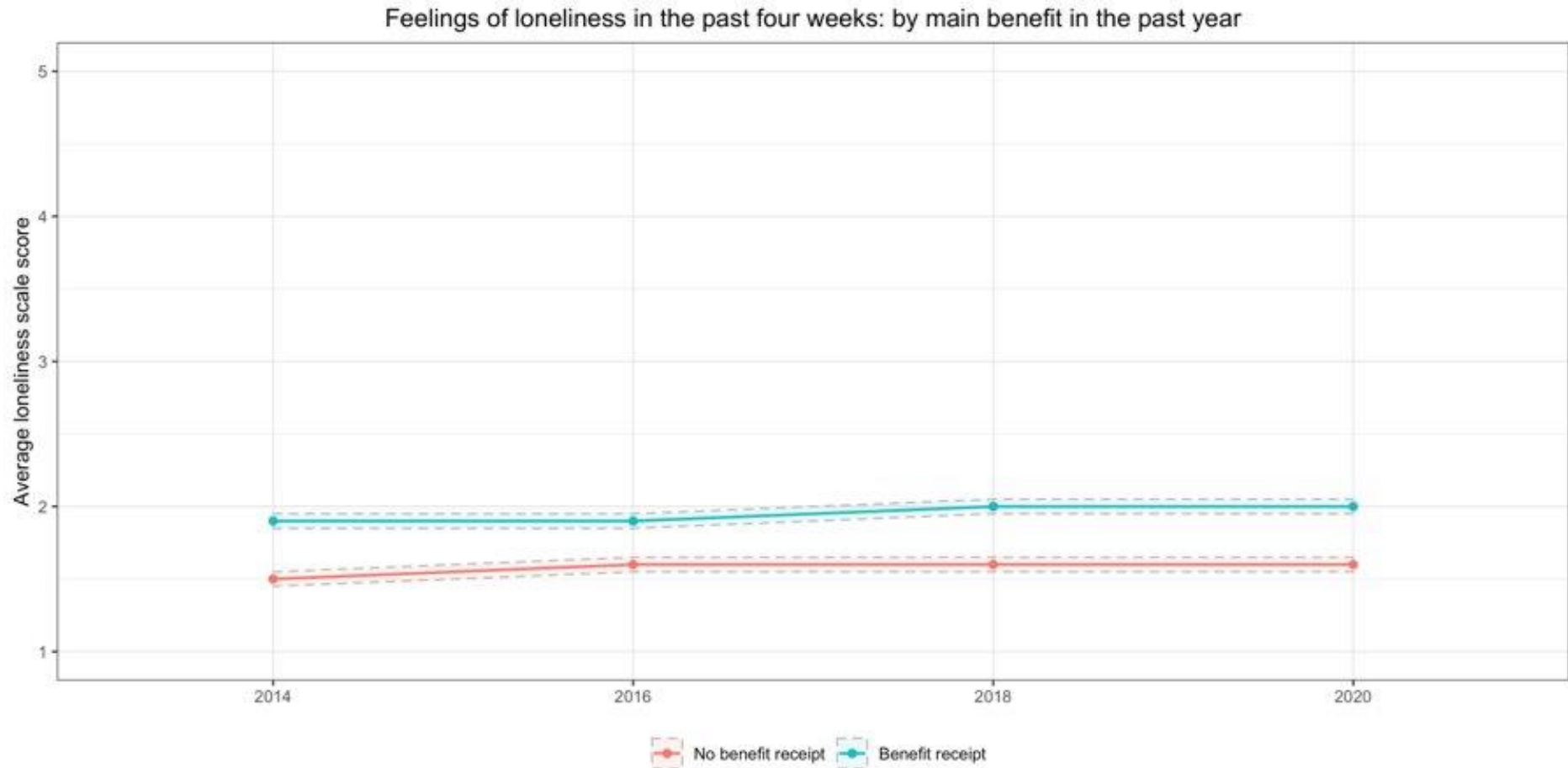
Data source: StatsNZ IDI

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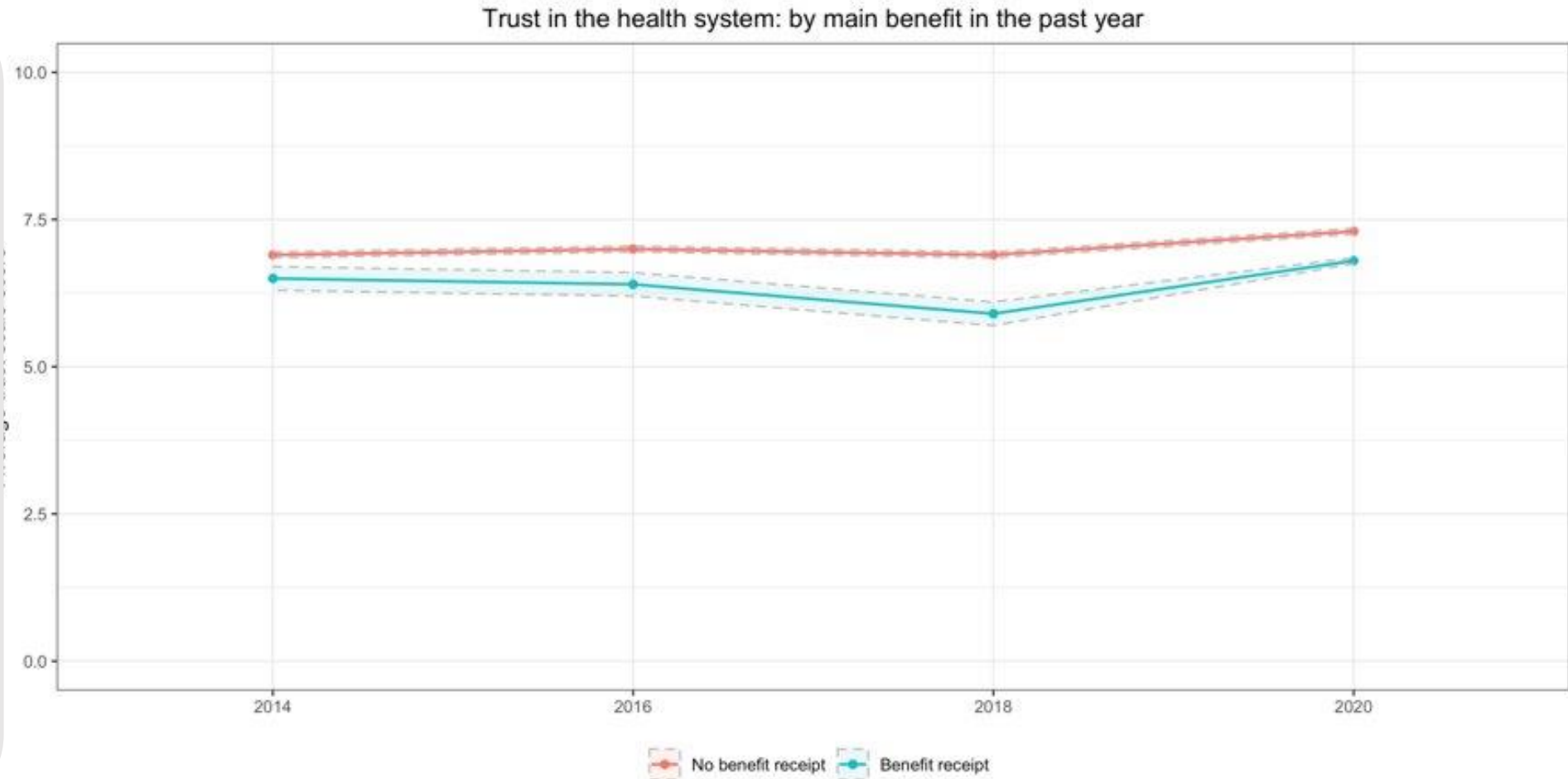
Social connectedness: Trust in parliament

Trust in parliament increased for both benefit status groups from 2016 to 2020, however the incline was steeper for those who received a main benefit in the past year, narrowing the trust gap between those who received a main benefit in the past year and those who did not.

Trust in parliament: by main benefit in the past year

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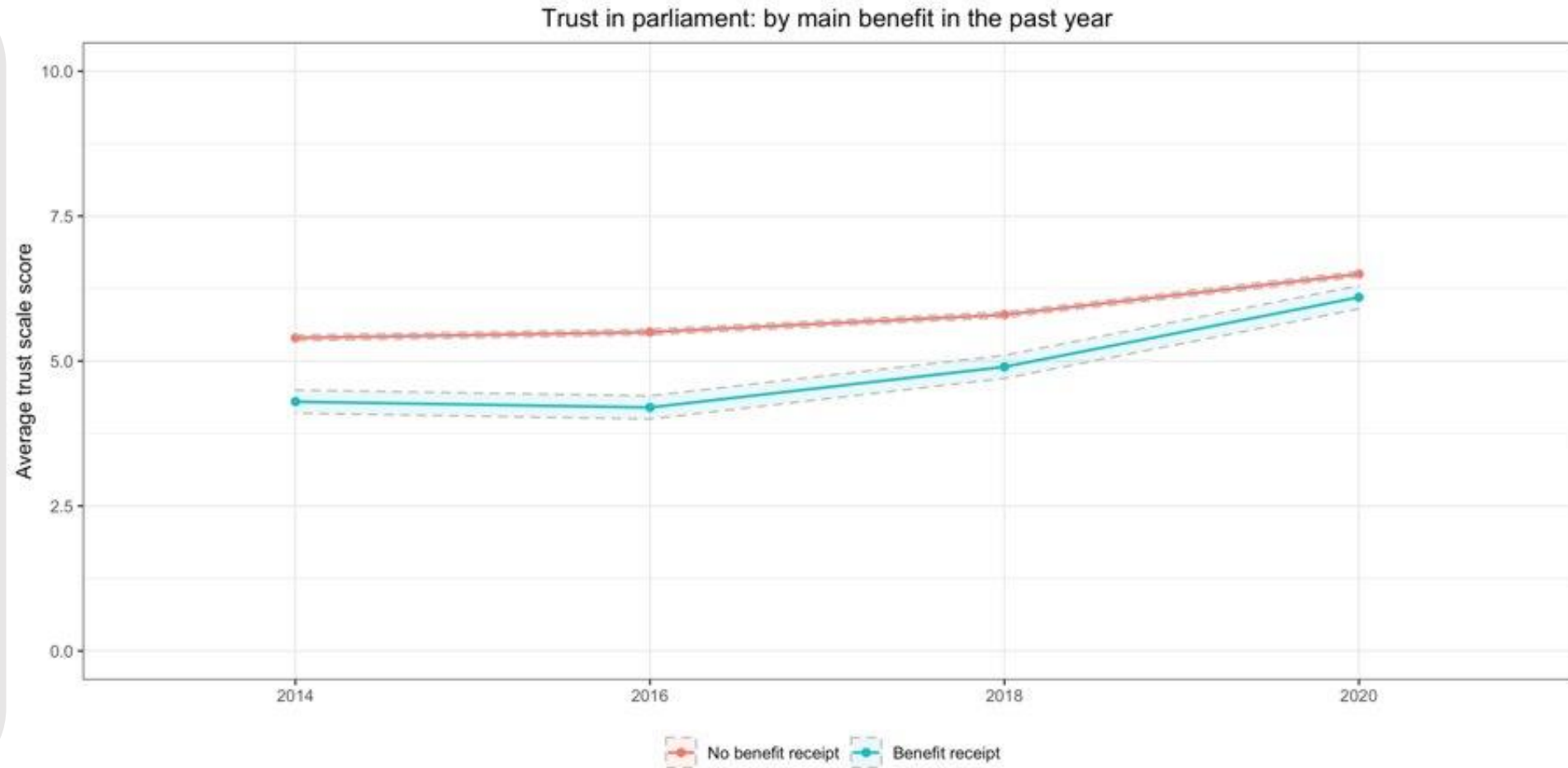
Note: "How much do you trust parliament?" *0* = not at all; *10* = completely. Construct not available between 2008-2012.

Social connectedness: Trust in the health system

The gap in trust in the health system between those who received a main benefit in the past year and those who did not widened from 2016 to 2018 due to declines in trust among those receiving a benefit, before narrowing and the levels of trust increasing for all between 2018 and 2020—the first year of the COVID-19 pandemic.
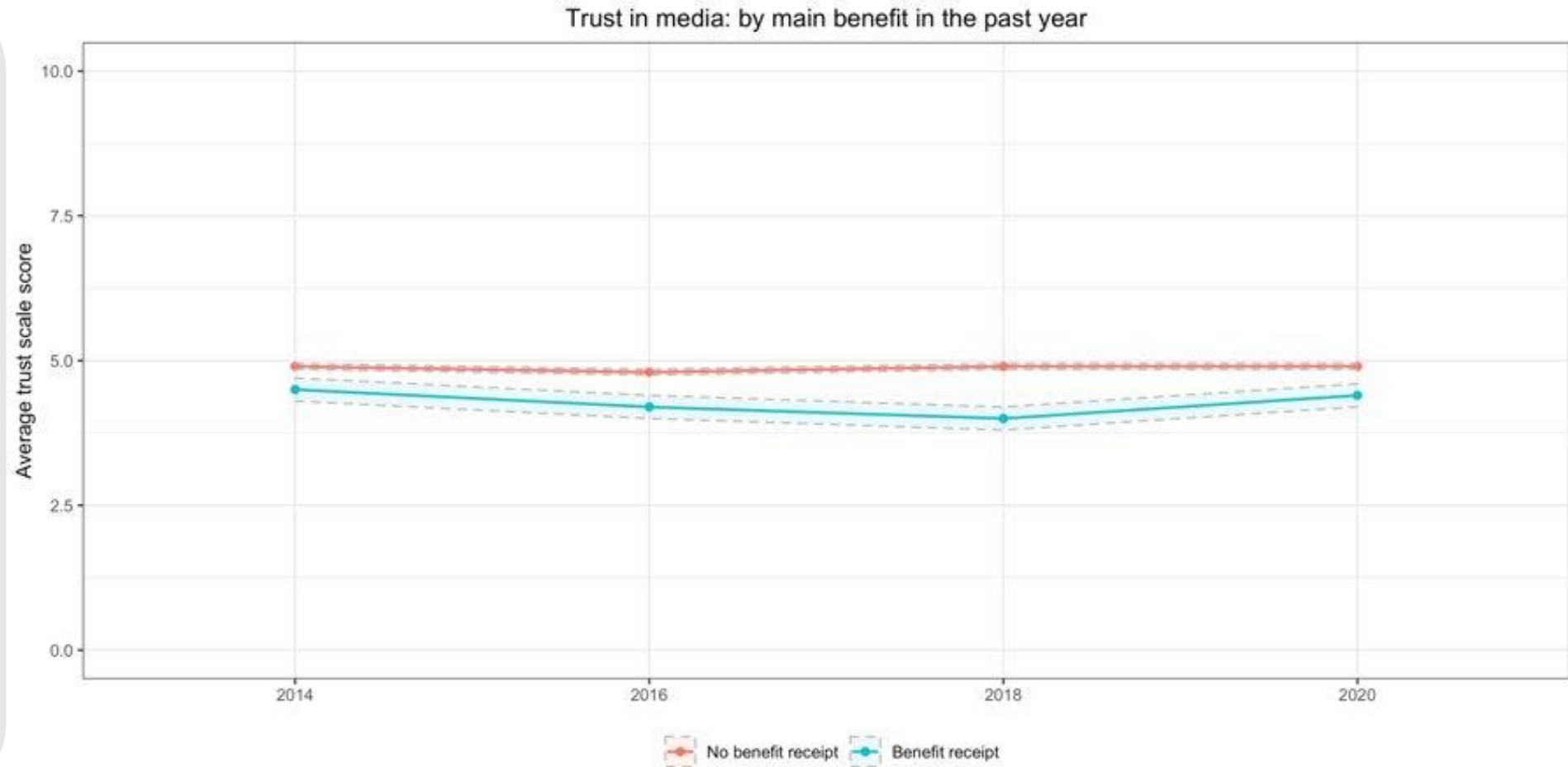
Trust in the health system: by main benefit in the past year

No benefit receipt   Benefit receipt

Data source: StatsNZ IDI

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

Social connectedness: Trust in media

There was a persistent gap in trust in media between 2014 and 2020 whereby those who received a main benefit in the past year reported lower levels of trust in the media than those who had not received a main benefit.

There was a slight increase in trust in the media among those receiving a main benefit between 2018 and 2020—the onset of the COVID-19 pandemic—that helped erase a modest decline in trust in media from 2014 to 2018 among this same group.
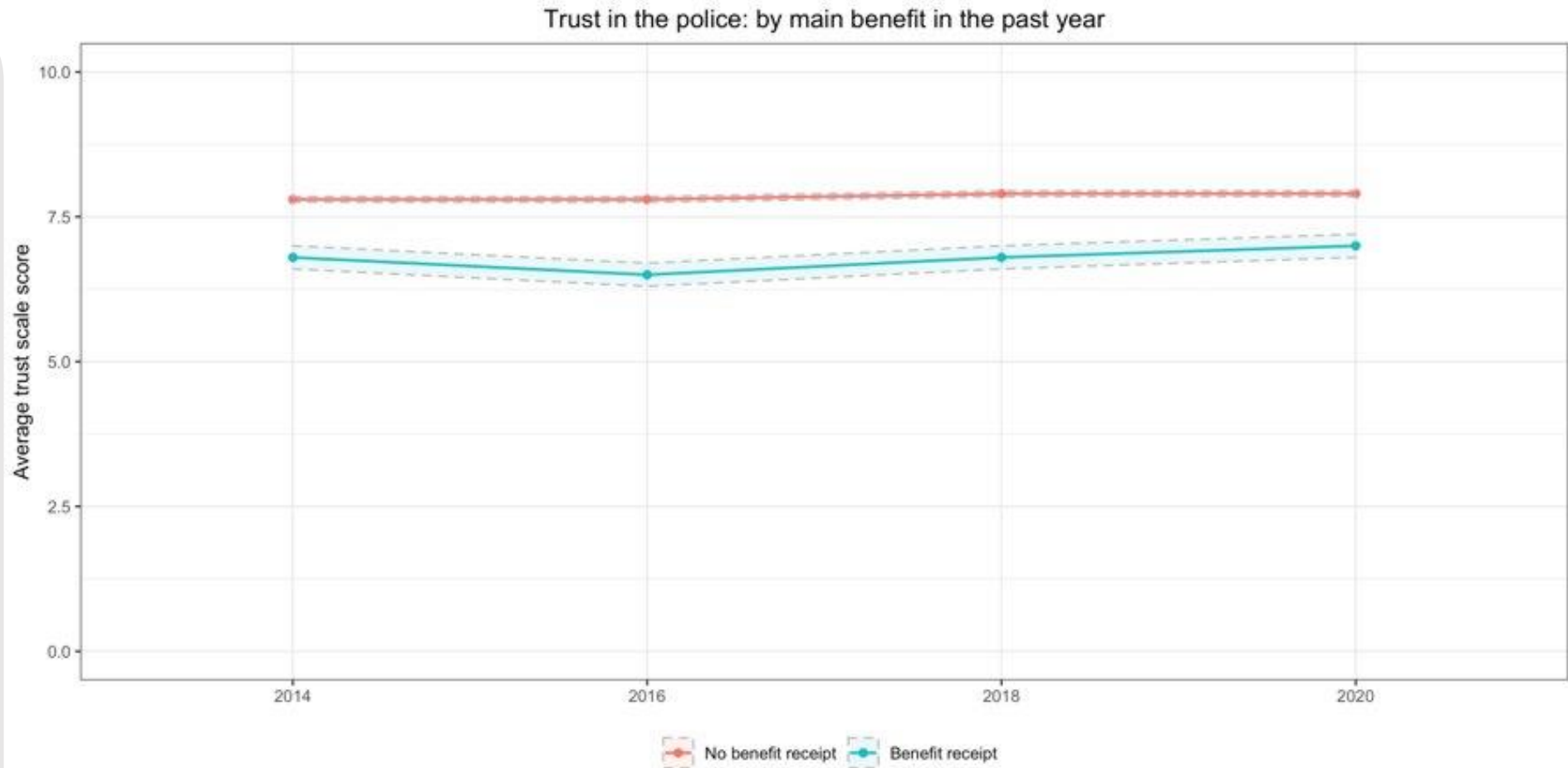

Trust in media: by main benefit in the past year

Data source: StatsNZ IDI

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

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Social connectedness: Trust in the police

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

Levels of trust in the police were higher for both benefit status groups than trust in the media and parliament. Levels of trust in police were on par with levels of trust in the health system for those receiving a benefit, while trust in police was slightly lower than trust in the health system for those who had not received a main benefit in the past year.
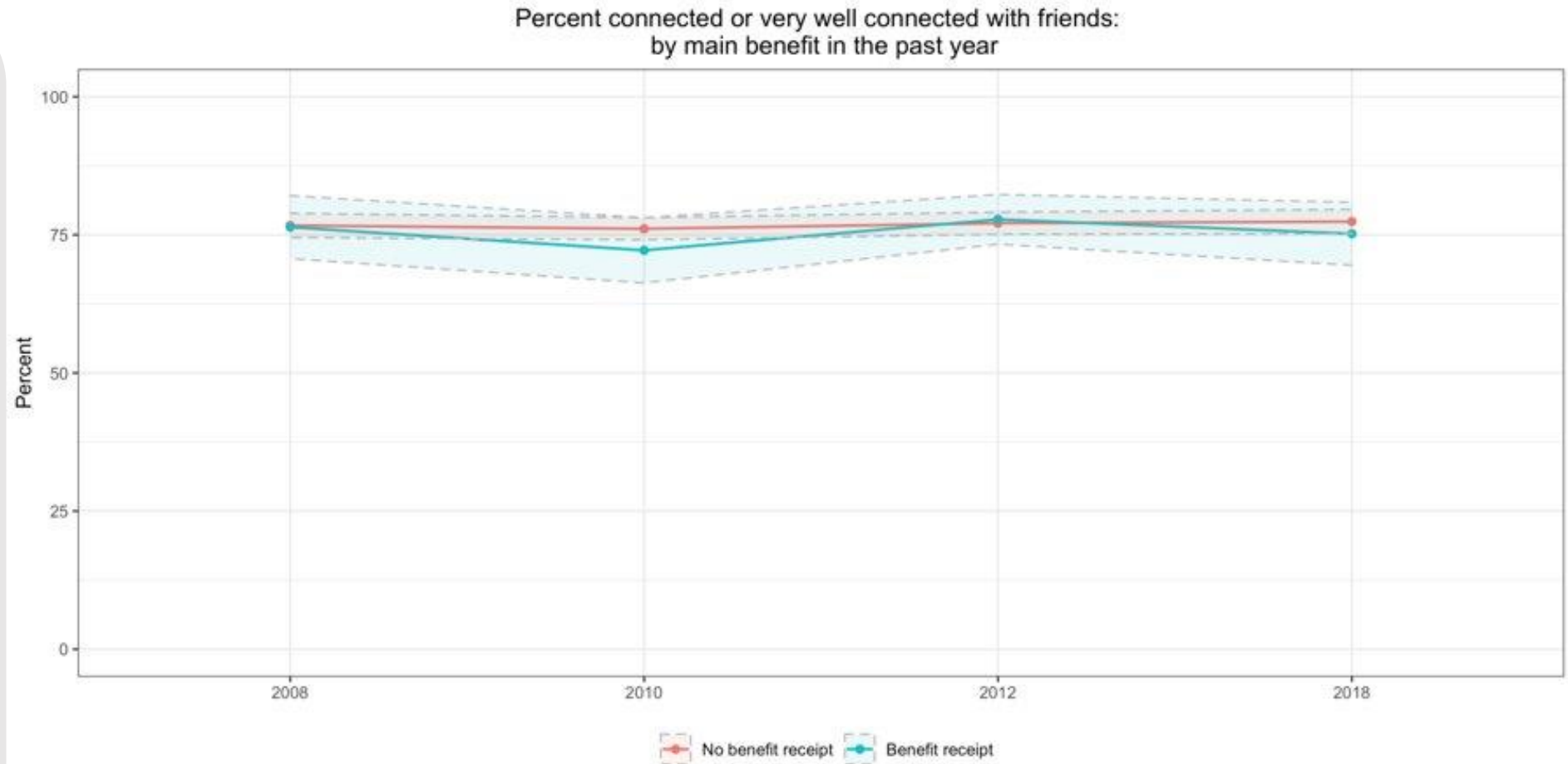

Trust in the police: by main benefit in the past year

Data source: StatsNZ IDI

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

Social connectedness: Friends

There was no statistical difference in the proportion of people who said they were connected or well connected to friends between those who received a main benefit in the past year and those who did not. Nor were there any changes in connectedness between 2008 and 2018.
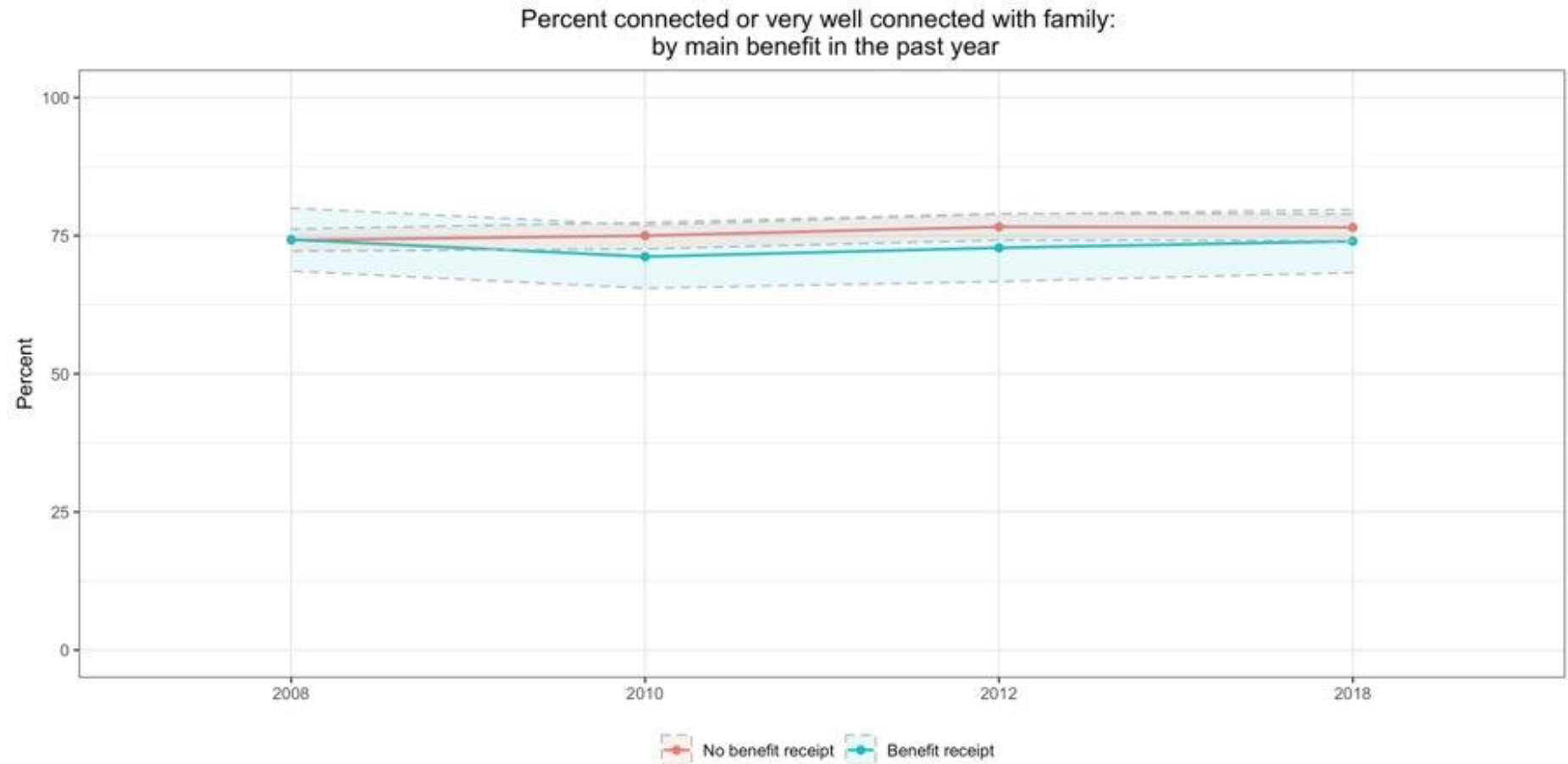
While it will be important to examine these trends when 2020 data are available, we note that there was no 2018 to 2020 change when examining levels of loneliness, which may be replicated here.

Percent connected or very well connected with friends:
by main benefit in the past year

No benefit receipt   Benefit receipt

Data source: StatsNZ IDI

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

Social connectedness: Family and whānau

Similarly, there was no statistical difference between benefit status groups and across time in reports of connectedness to family and whānau that they do not reside with.

Percent connected or very well connected with family:
by main benefit in the past year

No benefit receipt   Benefit receipt

Data source: StatsNZ IDI

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

People who received a main benefit in the past year were more likely at every time point to report being discriminated against in the past year compared to those who did not receive a benefit.

While it appears that the gap widens between 2012 and 2014 (a period of substantial change for the welfare system) due to a sharper incline among those receiving a benefit, it is important to note that during this period there was also a change in how the survey question was asked.


Percent experiencing discrimination in the past year:
by main benefit in the past year

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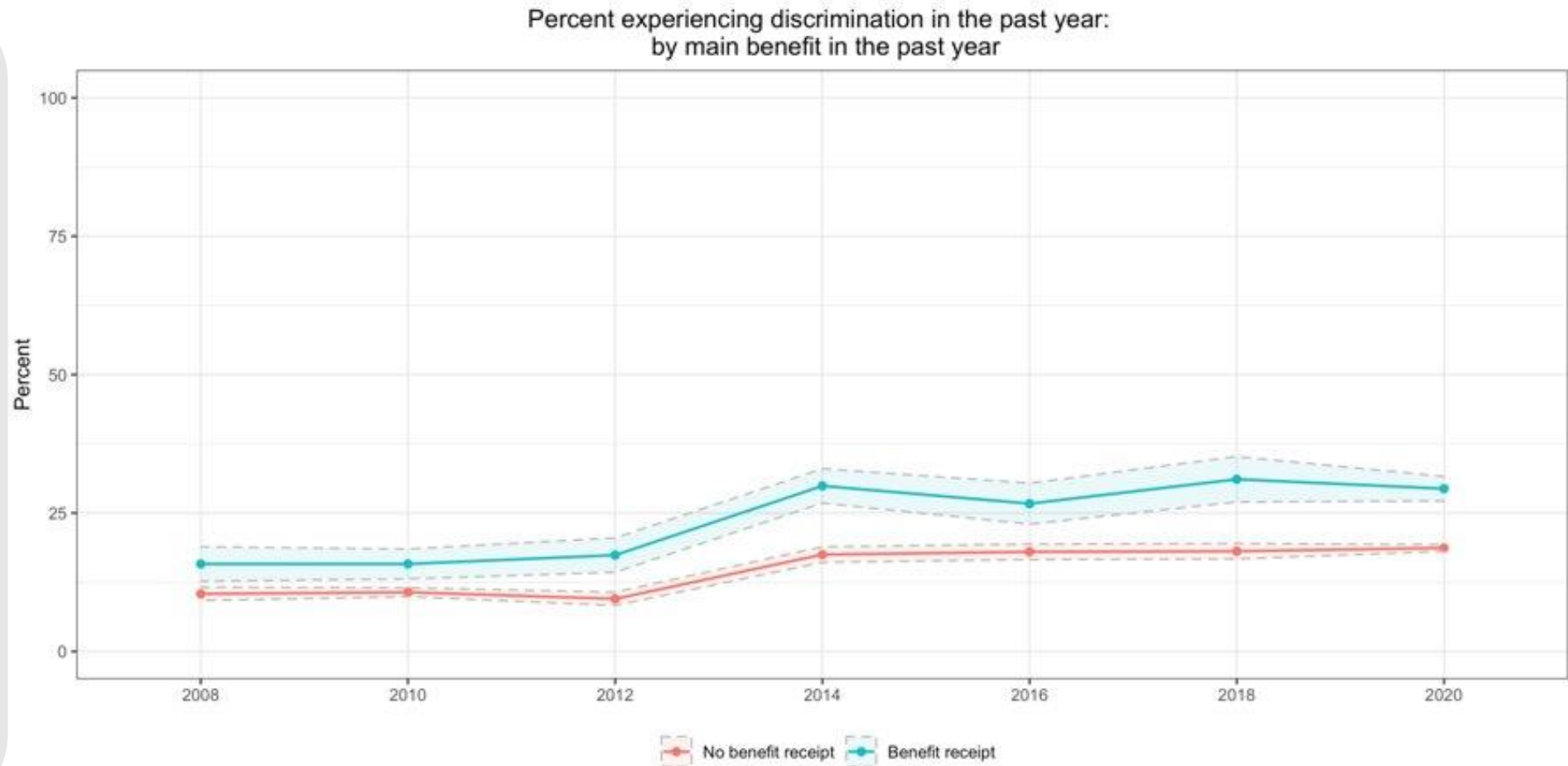
Note: "In the last 12 months, have you been discriminated against?" *1* = yes; *0* = no. Significant change in question wording: 2008-2012: "In the last 12 months, have you been treated unfairly or had something nasty done to you because of the group you belong to or seem to belong to?" In 2014-2020: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

People who did and did not receive a main benefit in the past year reported higher average feelings of safety walking alone in their neighbourhood after dark in 2020 than in 2008.

Those who did not receive a benefit in the past year reported, on average, higher levels of feelings of safety at all time points, with the gap with those who did receive a benefit narrowing between 2010 and 2012 due to an increase in feelings of safety among those receiving a benefit, however widening again in 2014 (due to declines among those receiving a benefit) and remaining consistent through 2020.


Feelings of safety walking alone in the neighbourhood after dark: by main benefit in the past year

Legend: No benefit receipt · Benefit receipt
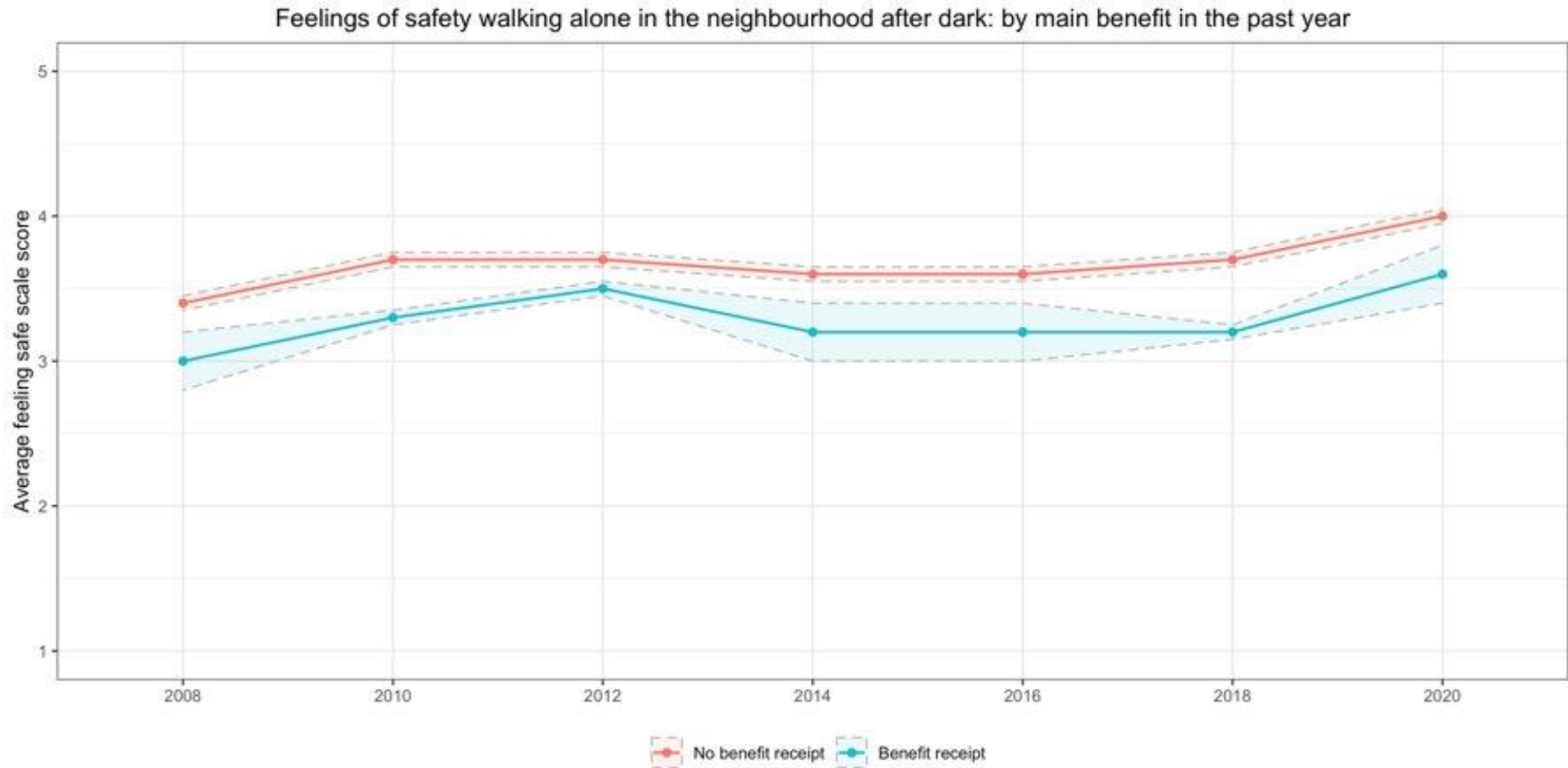
Data source: StatsNZ IDI

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

Safety: Victimisation

Although people who received a main benefit in the past year were more likely to report they had been a victim of crime in the past year than those who did not receive a benefit, both groups experienced modest declines from 2008 through 2018 in reports of victimisation.

Percent reporting being a victim of crime in the past year:
by main benefit in the past year

No benefit receipt   Benefit receipt
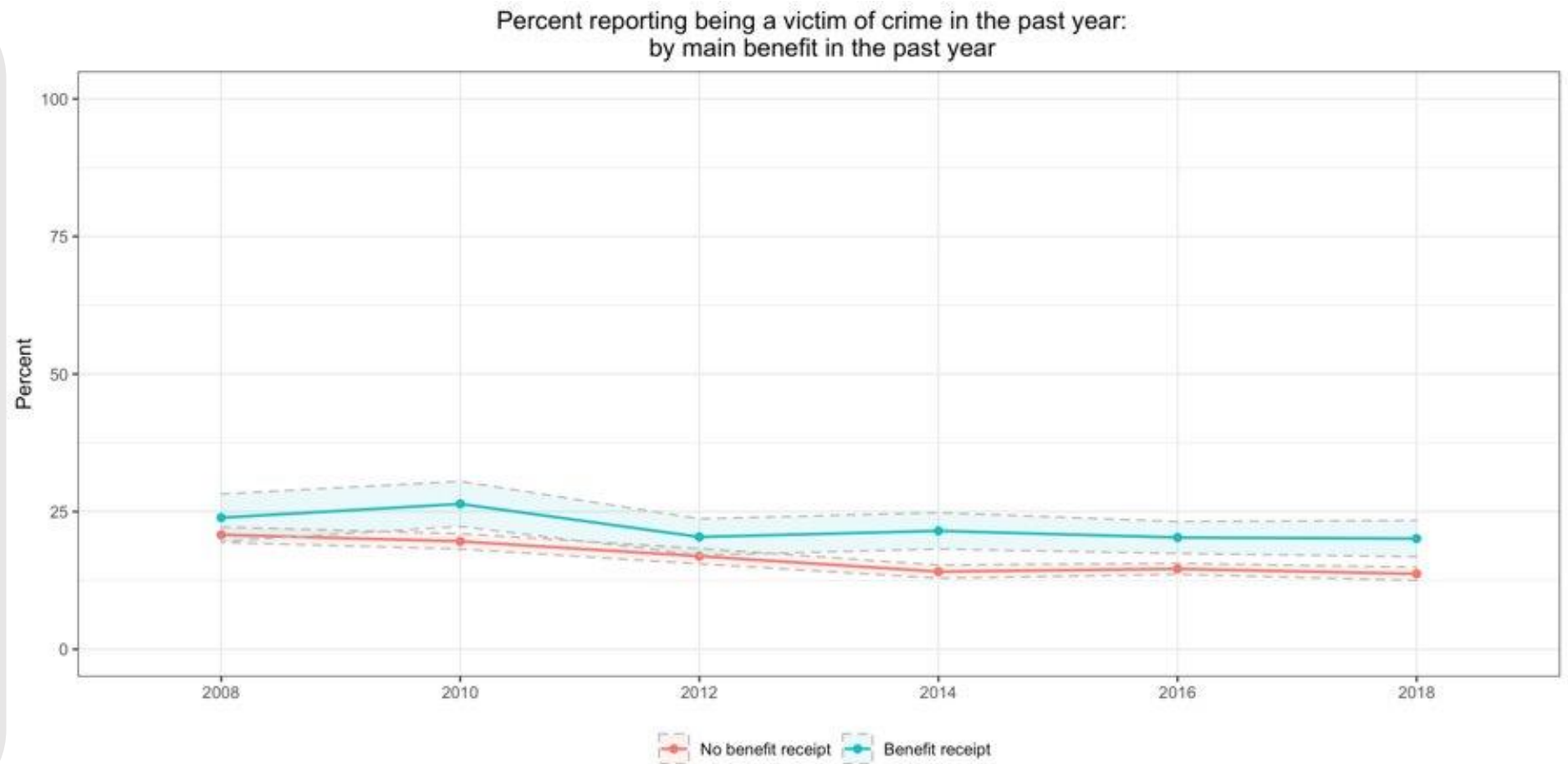
Data source: StatsNZ IDI

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

Findings discussion: Benefit receipt

There are large differences in wellbeing between those supported by main benefits versus not across most wellbeing measures

- Across many of the wellbeing indicators, there were persistent gaps between those who received a main benefit in the past year and those who had not. There were, however, some exceptions.
- People receiving a main benefit during the past year reported an improvement in income adequacy, a slight decline in material wellbeing to 2018 (2020 data are not available), and steady rates of being in paid employment since 2008. The economic gaps between those receiving a benefit and those not receiving a benefit, however, remained. The narrowing of the gap in income adequacy between 2018 and 2020 coincided with major legislative changes aimed at supporting low- and middle-income families, such as the Families Package.

Despite persistent economic, housing, and health gaps, there were few differences in socioemotional wellbeing and connectedness

- There were few differences between those who received a main benefit in the past year and those who did not across socioemotional wellbeing indicators that tapped into life satisfaction, ability to express oneself, and family wellbeing.
- Those who received a main benefit reported similar levels of connectedness to friends, family, and whānau as those who did not receive a benefit.
- These findings were despite large disparities in economic wellbeing across benefit receipt status—economic factors that are often associated with poorer social wellbeing.
- Although there were improvements in housing conditions over time for those receiving a main benefit, the gap in housing conditions with those who did not receive benefits was persistent.
- These socioemotional wellbeing and connectedness trends continued into 2020, despite the potential short-term impact of the COVID-19 pandemic. Other research has pointed to the resiliency of communities that might have served to promote socioemotional wellbeing during the immediate phases of the pandemic.