

WHAT HAPPENED TO PEOPLE WHO LEFT THE BENEFIT SYSTEM DURING THE YEAR ENDED 30 JUNE 2019

This A3 summarises the findings in the latest in a series examining employment and other outcomes for people in the 12 months after they stopped receiving a main benefit. This analysis covers the group of around 110,000 people who exited a main benefit during the year ended 30 June 2019 and looks at what happened to them during the following 12 months.

To view the full report visit <https://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>

Exits

Our analysis shows different parts of the population experience different outcomes.

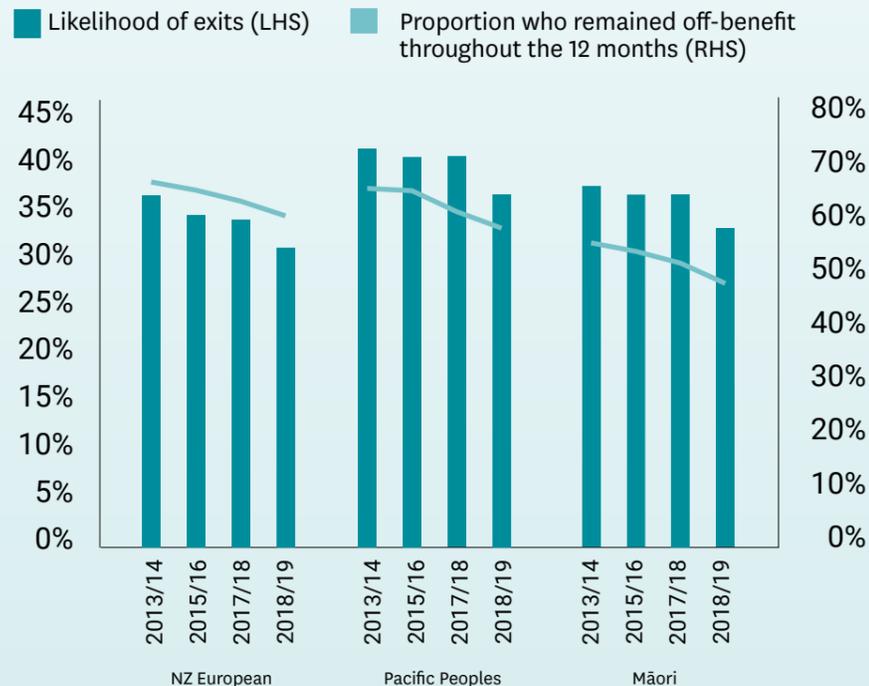
Both exit rates and sustainability of exit are higher for people with higher level of education, and for people who have had shorter periods supported by a benefit.

Exit rates are **higher**, but the sustainability of those exits is **lower**, for young people compared to other age groups, and for men compared to women.

Māori exit benefits at similar rate to the rest of the population but are more likely on average to return to a benefit in the year after exit.

The likelihood and sustainability of all exits have fallen across all ethnicities.

Likelihood of Benefit Exits Over Time, by Ethnicity



Note: Excludes 'Asian' and 'other' ethnicities, which account for approximately 10% of benefit exits.

Destinations

Outcomes vary between different exit destinations.

Just under half of all people who leave a benefit exit to employment.

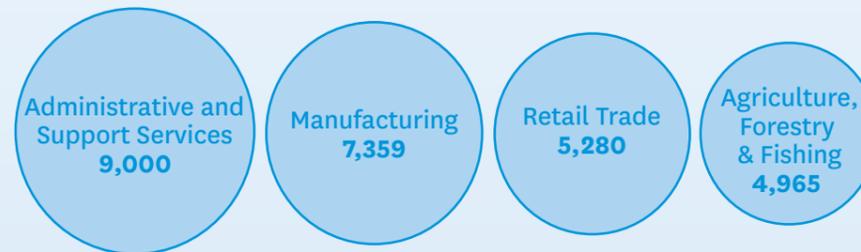
Most clients who exit to employment go to industries where they earn relatively low incomes.

The two largest industries that people exit to (Administration & Support Services, and Manufacturing) have some of the lowest employment sustainability.

The most popular tertiary education course type that people exit to is Society and Culture, which has a high sustainability of exit.

The most common course type for those who exit to targeted/industry training has the lowest rate of off benefit sustainability after 12 months.

Initial Industry After Exit



Tertiary Education Course Type



Sustainability

Sustainability of exits to employment is varied.

42% of people who exit to employment have sustained employment earnings throughout the 12 months after exit.

While the sustainability of employment earnings has remained stable over time for those who exit to employment, the rate that people who exit to employment remain off benefit has fallen. This suggests that, in the most recent cohort, those who do not sustain their employment are more likely to return to a main benefit than they might have been in the past.

Note: To measure exits to employment, we include all exits from a main benefit with earnings greater than or equal to \$1,512 per month. We then look at the proportion of these exits who retain at least \$1,512 of employment earnings in every one of the 12 months after they exit. We call this sustained employment or sustained employment earnings throughout this report. Note that if a person changes jobs but still maintains earnings above \$1,512 each month this is still counted as sustained employment.

Likelihood and Employment Sustainability of Employment Exits Over Time, by Ethnicity

