



Monthly Benefits Update - Commentary

August 2024

Purpose

- 1 The purpose of this commentary is to highlight key points and insights from the *Monthly Benefits Update* for August 2024. It was published as part of our monthly reporting on the Ministry of Social Development's (MSD) website on Friday, 13 September 2024.¹

Key points

- 1 There were around 388,700 people receiving a main benefit in August, an increase of around 3,300 people or 0.9 percent from the previous month.
- 2 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work.
- 3 Seasonal trends at this time of the year usually see more people receiving a benefit as jobs within some seasonal industries become less available during winter.
- 4 There were around 203,100 people receiving Jobseeker Support, an increase of around 2,600 people or 1.3 percent from the previous month.
- 5 There were around 117,200 people receiving Jobseeker Support – Work Ready (JS – WR), an increase of around 700 people or 0.6 percent from the previous month.
- 6 There were around 85,900 people receiving Jobseeker Support – Health Condition or Disability (JS – HCD), an increase of around 1,900 people or 2.3 percent from the previous month.
- 7 There were about 77,900 people receiving Sole Parent Support (SPS) in August 2024, an increase of almost 400 people or 0.5 percent from the previous month.

¹ For the full set of data and supporting information, please see: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/monthly-reporting/>



Main benefits

The number of main benefit recipients increased from the previous month

- 8 In August, there were about 388,700 people receiving a main benefit, an increase of about 3,300 people or 0.9 percent from the previous month. Most main benefits remained relatively unchanged, with the increase in overall numbers coming from more people receiving Jobseeker Support (JS) and Sole Parent Support (SPS).
- 9 Compared to this time last year, the number of people receiving a main benefit has increased by around 30,700 people or 8.6 percent.
- 10 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work.
 - The unemployment rate for the June quarter was 4.6 percent, a 0.2 percentage point increase from the last quarter. Unemployment numbers have trended upwards since March 2023.²
 - The Ministry of Business, Innovation and Employment's Jobs Online index reported a 26.6 percent drop in the year to July 2024.³
 - Electronic card spending for the month of July decreased by 0.1 percent with spending across most industries falling.⁴
- 11 Reflecting the current economic environment, the increase in overall main benefit numbers was mostly due to an increase in people on JS. Compared to this time last year, the number of people receiving JS has increased by about 24,500 people or 13.7 percent.
- 12 Since the start of the year there have been around 43,000 exits into work off JS. Despite economic challenges, the number of people exiting into work from JS since the start of the year is holding steady compared to last year (around 42,600), with MSD continuing to support people off benefit and into work in a tougher labour market.

² For more information on the unemployment rate, please see:
<https://www.stats.govt.nz/indicators/unemployment-rate/>

³ For more information on MBIE's Jobs Online index, please see:
<https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/jobs-online#jobs-online-monthly-data-release>

⁴ For more information on electronic card transactions for July 2024, please see:
<https://www.stats.govt.nz/information-releases/electronic-card-transactions-July-2024/>



The number of JS – WR recipients increased, continuing a trend of rising numbers since April 2024

- 13 In August, the number of people receiving Jobseeker Support – Work Ready (JS – WR) increased by about 700 people or 0.6 percent from the previous month.
- 14 This increase in JS – WR was mostly due to new clients from outside the benefit system. This increase reflects current economic conditions⁵ as well as seasonal trends⁶ for this time of the year where the impacts of both events are making it harder for people to secure employment.
- 15 Compared to this time last year, JS – WR numbers have increased by around 14,100 people or 13.7 percent. This increase reflects weaker economic conditions seen in August compared to the same time last year.

There were around 85,900 people receiving JS – HCD, an increase of around 1,900 people or 2.3 percent from the previous month

- 16 The increase in the number of people receiving Jobseeker Support – Health Condition or Disability (JS – HCD) was mostly due to people who transferred from JS – WR to JS – HCD.
- 17 Compared to August 2023, the number of people on JS – HCD has increased by around 10,400 people or 13.8 percent. This increase is in line with the increasing trend in the number of main benefit recipients.

The number of people on Sole Parent Support has been rising since February 2024

- 18 The number of people on Sole Parent Support (SPS) increased by almost 400 people or 0.5 percent from the previous month. This increase mostly reflects a lower number of SPS clients leaving the benefit system.
- 19 Compared to this time last year, there were almost 3,300 or 4.4 percent more people receiving SPS. This increase likely reflects changing economic conditions where SPS clients are finding it harder to find and retain work.

⁵ For more information, please see paragraph 11.

⁶ For more information, please see paragraph 9.



Hardship Assistance

In August, the number of Special Needs Grants granted decreased from the previous month

- 20 Almost 140,500 Special Needs Grants (SNGs) were granted in August, a decrease of about 4,100 or 2.8 percent from the previous month.
 - When looking at the number of SNGs granted per working day, August saw on average about 1.6 percent more SNGs granted compared to the previous month.
- 21 Special Needs Grants (SNGs) for food made up 78.2 percent of all SNGs in August. This is a normal proportion; in most months, between 70 and 80 percent of SNGs are for food.

Upcoming releases

- 22 The August Monthly Housing Update was published on 13 September 2024.
- 23 The June 2024 StudyLink Statistics were published on 12 September 2024.