



# Monthly Benefits Update - Commentary

## September 2024

### Purpose

- 1 The purpose of this commentary is to highlight key points and insights from the *Monthly Benefits Update* for September 2024. It was published as part of our monthly reporting on the website of the Ministry of Social Development (MSD) on Friday, 11 October 2024.<sup>1</sup>

### Key points

- 2 In September, there were about 391,200 people receiving a main benefit, an increase of about 2,500 people or 0.6 percent from the previous month.
- 3 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work. This has resulted in more people entering a benefit.
- 4 There were around 204,800 people receiving Jobseeker Support (JS) in September 2024, an increase of almost 1,700 people or 0.8 percent from the previous month.
  - There were around 87,900 people receiving Jobseeker Support – Health Condition or Disability (JS – HCD), an increase of around 2,000 people or 2.3 percent from the previous month.
- 5 There were around 116,900 people receiving Jobseeker Support – Work Ready (JS – WR) in September 2024, a decrease of around 300 people or 0.2 percent from the previous month. This partially offset the increase in JS – WR.

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<sup>1</sup> 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

- 6 In September, there were about 391,200 people receiving a main benefit, an increase of about 2,500 people or 0.6 percent from the previous month.
- 7 Compared to this time last year, the number of people receiving a main benefit has increased by around 29,100 people or 8.0 percent.
- 8 Weak economic conditions have seen a lower demand for labour making it harder for people to find and retain work.
  - The unemployment rate has been rising since the record low in the December 2021 quarter.
  - Online job advertising fell by 36.9 percent from August 2023 to August 2024, reflecting ongoing weakening demand, as reported by the Ministry of Business, Innovation and Employment.<sup>2</sup>
- 9 In September, the increase in overall main benefit numbers was mostly due to an increase in people on JS, specifically Jobseeker Support – Health Condition or Disability (JS – HCD), which increased by around 2,000 people or 2.3 percent from the previous month. Compared to this time last year, the number of people receiving JS has increased by about 23,300 people or 12.8 percent.
- 10 Since the start of the year there have been around 48,600 exits off JS into work. Despite economic challenges, the number of people exiting from JS into work since the start of the year is holding steady compared to last year (around 47,200), with MSD continuing to support people off benefit and into work in a tougher labour market.

### The number of Jobseeker Support – Health Condition or Disability recipients increased, continuing the ongoing upward trend since February 2024

- 11 In September, the number of people receiving Jobseeker Support – Health Condition or Disability (JS – HCD) increased by about 2,000 people or 2.3 percent from the previous month. This increase was mostly due to two reasons:

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<sup>2</sup> 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>.



- More people transferred from Jobseeker Support – Work Ready (JS – WR) to JS – HCD.
  - More people came from outside the benefit system onto JS – HCD.
- 12 Compared to September 2023, the number of people on JS – HCD has increased by around 11,000 people or 14.3 percent. This annual increase was higher than the percentage increases in all other main benefits, including Jobseeker Support – Work Ready (JS – WR).

### **The number of Jobseeker Support – Work Ready recipients decreased this month. This was the first decrease since April 2024**

- 13 In September, the number of people receiving Jobseeker Support – Work Ready (JS – WR) decreased by about 300 people or 0.2 percent from the previous month.
- 14 Compared to this time last year, JS – WR numbers have increased by around 12,300 people or 11.8 percent.

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

- 15 In September, the number of Sole Parent Support (SPS) recipients rose by around 150 people or 0.2 percent from the previous month. The largest driver of this was people coming onto SPS from outside the benefit system.
- 16 Compared to this time last year, there are around 3,000 or 4.0 percent more people receiving SPS. This increase likely reflects weaker economic conditions making it harder for SPS clients to find and retain work.

## **Hardship Assistance**

### **In September, the number of Special Needs Grants granted decreased from the previous month**

- 17 Around 130,000 Special Needs Grants (SNGs) were granted in September, a decrease of about 10,400 or 7.4 percent from the previous month. In September, the average number of SNGs granted per working day was about 3.0 percent lower than the previous month.
- 18 SNGs for food made up 77.7 percent of all SNGs in September. This is a normal proportion; in most months, between 70 and 80 percent of SNGs are for food.



## Recent and upcoming changes to the benefit system

- 19 The Winter Energy Payment ended on 1 October 2024 and will begin again on 1 May 2025.

## Upcoming releases

- 20 The September Monthly Housing Update was published on 11 October 2024.
- 21 The Benefit Fact Sheets for the September 2024 quarter will be published on 17 October 2024.