



# Monthly Benefits Update - Commentary

May 2024

## Purpose

The purpose of this commentary is to highlight key points and insights from the *Monthly Benefits Update* for May 2024. It was published as part of our monthly reporting on our Ministry of Social Development (MSD) website on Friday, 14 June 2024.<sup>1</sup>

## Key points

- 1 Around 376,100 people were receiving a main benefit in May 2024, an increase of about 3,200 people or 0.9 percent from the previous month. This rise was largely driven by Jobseeker Support.
- 2 There were around 192,500 people receiving Jobseeker Support, an increase of about 2,500 people or 1.3 percent from the previous month. Of these:
  - Jobseeker Support – Work Ready (JS – WR) rose by around 2,100 people or 1.9 percent. The growth in JS – WR likely reflects a broader weaker economy as well as jobs in some seasonal industries becoming scarcer around this time of year.
  - Jobseeker Support – Health Condition or Disability (JS – HCD) rose by around 400 people or 0.5 percent.
- 3 A weaker economy and falling demand for labour have been making it harder for people to find and keep jobs, which is reflected in the rise of benefit recipients. The rate at which clients leave benefits to go into work each month has been lower this year than the average for the last eight years.
- 4 The King’s Birthday public holiday affected month-end benefit numbers for May 2024. Public holidays affect benefit trends because payments are

---

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



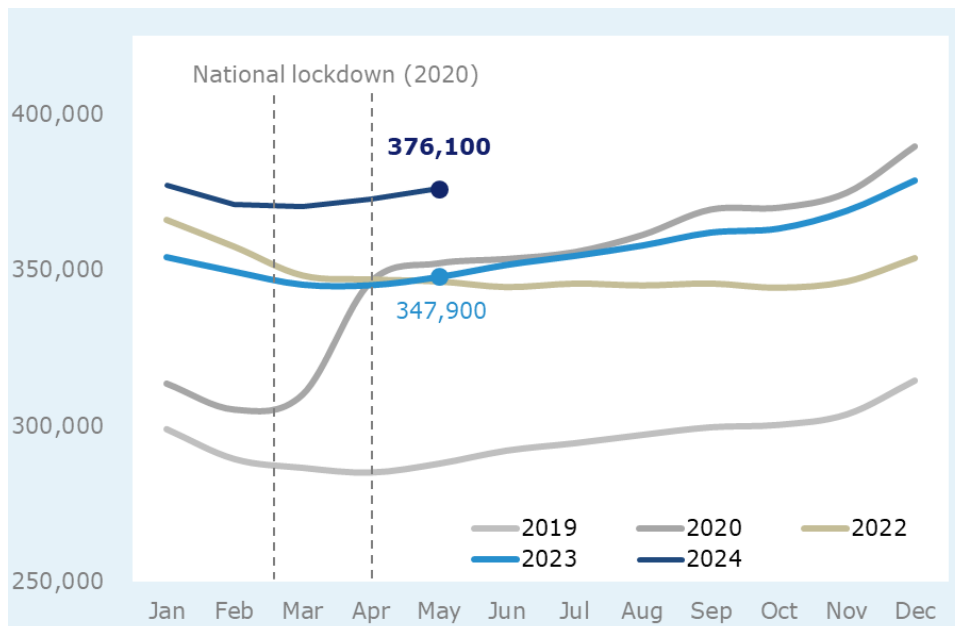
processed earlier so that clients are paid on time the following week. This means that the number of benefit recipients may be higher or lower than what we would usually see.

## Main benefits

### The number of main benefit recipients rose in May 2024

- 5 Around 376,100 people were receiving a main benefit in May. This was a rise of about 3,200 people or 0.9 percent from the previous month.
- 6 This overall growth was largely driven by more people receiving Jobseeker Support (JS), which reflected a slowing economy. Rises in main benefit numbers are forecast to carry on until the start of 2025.<sup>2</sup>
- 7 Seasonal trends also contributed to the rise in main benefit numbers as jobs in some seasonal industries (e.g. agriculture) become scarcer in winter.

**Figure 1: The number of people receiving a main benefit in May was higher than in recent years**



<sup>2</sup> Our latest Budget Economic and Fiscal Update (BEFU) includes forecasts of selected main benefits. To read more, please go to [www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/befu/budget-economic-and-fiscal-update-2024.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/befu/budget-economic-and-fiscal-update-2024.html).



- 8 There were 28,200 more people receiving a main benefit in May than in the previous year, which is a rise of 8.1 percent.
- 9 The growth in the number of JS recipients in May mainly reflects a slowing economy which has made it harder for people to find and keep work. Several recent indicators point to a weaker economy:
  - Over the March 2024 quarter, the unemployment rate rose from 4.0 percent to 4.3 percent. This signals that the wider economy has been slowing down.<sup>3</sup>
  - In April 2024, electronic card spending in retail industries was lower than one year earlier, a reliable indicator that people are spending less.<sup>4</sup>
  - The Quarterly Survey of Business Opinion (QSBO) for the March 2024 quarter reported that businesses would be cautious around investing and hiring over the coming months.<sup>5</sup>
  - The number of job listings in April 2024 was 30 percent lower than at the same time a year earlier.<sup>6</sup> April was the third month in a row in which the number of job advertisements fell. In contrast, the average number of applicants per job listing in March was 96 percent higher than at the same time a year earlier.

### **There were around 2,100 (1.9 percent) more people on Jobseeker Support – Work Ready**

- 10 More people entered Jobseeker Support – Work Ready (JS – WR) from outside the benefit system than in previous months, which drove the rise in JS – WR numbers.
- 11 Since May 2023, the number of JS – WR recipients has gone up by around 13,700 people or 14.0 percent. The upward trend in JS – WR was brought

---

<sup>3</sup> While unemployment figures and benefit numbers are related, they measure different things. The correlation between Jobseeker Support numbers and Household Labour Force Survey (HLFS) unemployment figures is limited. To read more about the HLFS, please go to [www.stats.govt.nz/information-releases/labour-market-statistics-march-2024-quarter/](http://www.stats.govt.nz/information-releases/labour-market-statistics-march-2024-quarter/).

<sup>4</sup> For more information on electronic card transactions data for April 2024, please go to [www.stats.govt.nz/information-releases/electronic-card-transactions-april-2024/](http://www.stats.govt.nz/information-releases/electronic-card-transactions-april-2024/).

<sup>5</sup> For more information, please see [www.nzier.org.nz/publications/qsbo-shows-business-confidence-waning-in-the-face-of-weak-demand](http://www.nzier.org.nz/publications/qsbo-shows-business-confidence-waning-in-the-face-of-weak-demand).

<sup>6</sup> For more information, please see [www.seek.co.nz/about/news/employment-report-april24](http://www.seek.co.nz/about/news/employment-report-april24).



about largely by lower demand for labour, and it mirrors the rise in overall main benefit numbers since 2023 (please see Figure 1).

- 12 In May 2024, the JS – WR work exit rate was 4.4 percent.<sup>7</sup> This was lower than usual for winter, and it continues a trend of lower work exits since mid-2023. For context, the average JS – WR exit rate in May from 2016 to 2024 was 6.1 percent.

### **In May, about 400 (0.5 percent) more people were receiving Jobseeker Support – Health Condition or Disability**

- 13 Behind this rise in Jobseeker Support – Health Condition or Disability (JS – HCD) numbers were two factors:
- More people moved from JS – WR to JS – HCD. The ratio of people moving to JS – HCD has stayed the same. However, higher numbers of JS – WR recipients have led to more transfers.
  - More people came onto JS – HCD from outside the benefit system.
- 14 The King’s Birthday public holiday also affected month-end JS – HCD numbers for May 2024. The impact of public holidays usually affects some main benefit types (such as JS – HCD and SLP) more so than others, making them lower than they would otherwise be.

### **In May, around 300 (0.3 percent) more people received Supported Living Payment**

- 15 Most of this rise came from people moving from JS – HCD to Supported Living Payment (SLP). People normally shift from JS – HCD to SLP if their health conditions become long-term.
- 16 As with JS – HCD, the number of SLP recipients was affected by the King’s Birthday public holiday. For more information, read paragraphs 4 and 14.

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

- 17 The number of Sole Parent Support (SPS) recipients rose by about 400 people or 0.5 percent. The largest driver of this was people coming onto SPS from outside the benefit system.

---

<sup>7</sup> We calculate the work exit rate by dividing the number of people who left main benefits and entered work in the relevant month by the number of people who were recorded as receiving main benefits as at the end of the previous month.



- 18 The April-to-May rise carries on the upward trend in SPS numbers that began around June 2023. This has mainly been caused by fewer SPS clients leaving the benefit system.

## Hardship Assistance

### The average number of Special Needs Grants per working day continued to trend down

- 19 Special Needs Grants (SNGs) for food made up 74.7 percent of all SNGs in May. This is a normal proportion; in most months, between 70 and 80 percent of SNGs are for food.
- 20 Since the year began, the average number of SNGs granted per working day has been falling each month.

## Recent and upcoming releases<sup>8</sup>

- 1 The StudyLink Statistics for the March 2024 quarter were published on 29 May 2024.
- 2 The May 2024 Monthly Housing Update will be published on 14 June 2024.

---

<sup>8</sup> All releases are available at [www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/index.html).