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Manawatū Region Annual Business & Employment Report 2021



Overview

The annual rate of employment growth in the Manawatū region in the year to February 2021 slowed to 0.5%, while employment in New Zealand declined by 0.3%. Declines in international education and tourism were the main contributors to the decline in employment in the region.

Total employee numbers in the region increased to 62,800 in February 2021, an increase of 300 jobs from February 2020. An additional 3,700 jobs have been created in the region over the past three years, an increase of more than 1,200 jobs a year.

Statistics New Zealand revised its Palmerston North employee count estimate for February 2020, adding a further 800 jobs to its original estimate. This lifted annual growth in the city in the year to February 2020 to 3.3%, while the growth rate for New Zealand was revised up to 1.4%.

The employee count estimates do not include the self-employed. Infometrics estimates the self-employed workforce on an annual basis, and these estimates will be available in early 2022. Self-employment contributes a greater share of employment in Manawatū District, accounting for 25.2% of the districts' workforce in March 2020, with the agriculture sector accounting for the high self-employment rate. Self-employment in Palmerston North accounted for just 6.8% of the city's workforce in 2020. The self-employment rate tends to decline when unemployment rates are low.

The latest Infometrics estimates suggest the unemployment rate for Manawatū region residents aged 15 years and over in the region averaged 3.6% over the year ended September 2021 compared with 4.2% for New Zealand. The estimated unemployment rate for Manawatū District over the year to September 2021 was 2.4% and 3.9% for Palmerston North.

Ministry of Social Development (MSD) job seeker benefit numbers in the region declined by 9.4% in the year to September 2021 while national job seeker benefits declined 5.1%. Palmerston North job seeker benefits declined by 9.4% over the year to September 2021 while Manawatū District declined by 9.8%.

There were 11,994 businesses in the region in February 2021, a decline of 0.1% from 2020, while the number of businesses in New Zealand increased by 0.4%. Two factors contributing to the decline in business in the region were consolidation of agricultural units and the decline in self-employment noted above.

The three-year business survival rate in the region improved from 55.7% for businesses created in the year to February 2017 to 56.2% for businesses created in the year to February 2018. The three-year survival rate for all businesses in New Zealand created in the year to February 2018 was 58.2%.

Employee Numbers

Annual employment data for February 2021 shows there were 62,800 jobs in the Manawatū region, an increase of 300 jobs from February 2020 (0.5% increase). National employment declined by 7,700 jobs in the year to February 2021, a decline of 0.3%.

Data for the individual local authorities in the region shows that in February 2021 there were:

- 9,900 jobs in Manawatū District, an increase of 400 jobs (4.2% increase) from February 2020
- 52,900 jobs in Palmerston North, a decline of 100 jobs (0.2% decline) from February 2020

Sectors which contributed most to the increase in the number of jobs in the region between 2020 and 2021 were health care and social assistance sector (220 jobs), construction (250 jobs), and public administration and safety (150 jobs). Sectors where there were losses in jobs between 2020 and 2021 were education (240 less jobs), administrative and support service (340 less jobs), and retail (70 less jobs).

The decline in retail employment was due to declines in accommodation (35 less jobs), cafes and restaurants (30 less jobs), department stores (65 less jobs) and supermarkets (50 less jobs).

Manawatū region employee counts – February 2021

Industry sector	Employee count	2020 - 2021 change		2000 - 2021 change	
		Number	%	Number	%
Public Administration and Safety	7,850	150	1.9%	3,750	91%
Health Care and Social Assistance	8,700	220	2.6%	3,220	59%
Construction	5,450	250	4.8%	3,030	125%
Logistics	6,230	30	0.5%	2,310	59%
Education and Training	6,900	-240	-3.4%	1,320	24%
Retail	8,820	-70	-0.8%	1,080	14%
Other Services	2,310	60	2.7%	740	47%
Professional, Scientific and Technical Services	3,030	20	0.7%	500	20%
Rental, Hiring and Real Estate Services	1,070	60	5.9%	455	74%
Administrative and Support Services	2,550	-310	-10.8%	440	21%
Agriculture, Forestry and Fishing	2,090	0	0.0%	280	15%
Arts and Recreation Services	1,040	-20	-1.9%	265	34%
Financial and Insurance Services	980	70	7.7%	175	22%
Manufacturing	5,000	0	0.0%	150	3%
Mining	34	3	9.7%	16	89%
Electricity, Gas, Water and Waste Services	280	-10	-3.4%	8	3%
Information Media and Telecommunications	400	-10	-2.4%	-640	-62%
Total	62,800	300	0.5%	17,100	37%

Note: Employee count data in this table does not include the self-employed

Source: Statistics New Zealand

Over the period from 2000 to 2021, total employment in the region increased by 37.4%, with 17,100 more jobs in 2021 compared with 2000. The public administration and safety sector accounted for the largest share of the increase in employment, with 3,750 more jobs at the end of the 21-year period, an increase of 91%. Other significant contributors to employment growth were healthcare and social assistance (3,220 jobs increase, 59% increase), construction (3,030 jobs increase, 125% increase), logistics (2,310 jobs, 59% increase), education and training (1,320 jobs increase, 24%) and retail (1,080 jobs increase, 14% increase).

Information media and telecommunications sector was the only sector to record a decline in employment between 2000 and 2021 (640 jobs decline, 62% decline).

Statistics New Zealand business and employment data includes the number of geographic units (business locations) in the region and the distribution of employment by business size. In February 2021 there were 63 businesses in the region with 100 or more employees (less than 1% of total businesses) but they accounted for 33% of employees in the region.

Distribution of employees by business size in the Manawatū region (February 2021)

Business size	Geographic units	Employees	Average employees
zero employees	7,353	0	0
1 to 5	2,628	6,451	2
6 to 9	774	5,615	7
10 to 19	636	8,545	13
20 to 49	303	9,020	30
50 to 99	75	5,650	75
100+	63	20,500	325
Confidential	150	6,864	46
Total	11,988	62,734	5.2

Source: Statistics New Zealand

Businesses and Self-Employment

There were 11,988 businesses in the region in February 2021, a decline of 0.1% from 2020 (18 less businesses), while the number of businesses in New Zealand increased by 0.4%. Two factors contributing to the decline in business in the region are consolidation of agricultural units and a decline in self-employment. Farm consolidation has resulted in the total number of geographic units in the region's agricultural sector declining from 2,379 units in 2000 to 1,746 in 2021, a decline of 633 units, or 27% decline.

The total number of business units in the region increased by 2,178 between 2000 and 2021, an increase of 27%. Most of this growth was in property and financial asset investing organisations, but there was a 46% increase in the construction sector and 55% increase in health care and social assistance.

The annual business data identified 7,353 geographic units that had no employees in February 2021, 61% of total geographic units in the region. The organisations without employees include the self-employed and other registered entities established for tax purposes. Some of the largest industry sectors with no employees are:

- ownership of rental residential and commercial properties (2,085 organisations in 2021)
- financial asset investing (498 organisations)
- sheep, beef cattle, grain farming and dairy cattle farming (684 organisations)

Business Demography data on business ‘births’ and ‘deaths’ shows an increase in the number of businesses that survive for three years. There were 1,083 business births in the year to February 2018 and by February 2021, 609 businesses were still active, a survival rate of 56.2%. The survival rate for all New Zealand businesses established in the year to February 2018 was 58.2%.

Three-year business survival rates

Starting year (to February)	Manawatū region			New Zealand		
	Births	Surviving	Survival rate	Births	Surviving	Survival rate
2015	1,119	657	58.7%	65,952	37,452	56.8%
2016	984	567	57.6%	61,854	35,769	57.8%
2017	1,071	597	55.7%	69,927	41,121	58.8%
2018	1,083	609	56.2%	64,629	37,614	58.2%

There were 1,122 business births in the region in the year to February 2021 and 1,176 business deaths. The number of births increased from the previous year, but there was also an increase in the number of deaths.

Unemployment

Unemployment data for the Manawatū Region is estimated by Infometrics using Manawatū-Whanganui region data from the Statistics New Zealand Household Labour Force Survey. September 2021 quarter estimates suggest the unemployment rate for residents aged 15 years and over in the region averaged 3.6% over the year ended September 2021 compared with 4.2% for New Zealand. The estimated unemployment rate for Manawatū District over the year to September 2021 was 2.4% and 3.9% for Palmerston North. Infometrics uses an average of the last four quarters because regional unemployment rates are subject to high sample error rates.

An alternative indicator of labour force trends is data on the number of people aged between 18 and 64 years receiving the Ministry of Social Development Job Seeker benefit. In September 2021 there were 3,963 people registered for the benefit in the Manawatū region, a decline of 9.4% from September 2020 (a decline of 415 people). National Job Seeker benefits in September declined by 5.1% from the previous year. Job seeker numbers declined by 9.8% in Manawatū District and by 9.4% in Palmerston North.

Between September 2018 and September 2021 job seeker benefit numbers in the Manawatū region increased by 21% while national job seeker benefit numbers increased by 49%. The strongest growth in benefit numbers in the region over this time period was in the 55 – 64 years age group, where there was a 32% increase in the region and a 43%

increase nationally. There was a 3% increase in the 18 – 24 years age group in the region between 2018 and 2021 while national benefit numbers for this age group increased by 59%.

The number of people in the region classified as ‘work ready’ was 2,253 in September 2021, declining by 23% from September 2020. However, there were a further 1,710 people classified with a health condition or disability, increasing by 17% from 2020.

The benefits data suggests that males have benefitted more from the recovery from Covid-19 restrictions in the first half of 2020. There was a 13% decline in the number of males registered for the Job Seeker benefit in the Manawatū region in the year to September 2021 while the number of females registered for the benefit declined by 5%. The respective annual declines for New Zealand were 8% for males and 2% for females.

Distribution of Job Seeker benefits by age

Number of Manawatū region residents registered for a Job Seeker benefit									Sept 18 to Sept 21 change	
	September 2018		September 2019		September 2020		September 2021			
Age group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	% change
18 - 24 years	873	7.0%	857	-1.8%	1,155	34.8%	897	-22.3%	24	2.7%
25 - 39 years	1,058	15.5%	1,167	10.3%	1,523	30.5%	1,374	-9.8%	316	29.9%
40 - 54 years	861	9.7%	897	4.2%	1,092	21.7%	1,041	-4.7%	180	20.9%
55 - 64 years	494	13.6%	492	-0.4%	605	23.0%	651	7.6%	157	31.8%
Total	3,286	11.3%	3,413	3.9%	4,375	28.2%	3,963	-9.4%	677	20.6%

Number of New Zealand residents registered for a Job Seeker benefit									Sept 18 to Sept 21 change	
	September 2018		September 2019		September 2020		September 2020			
Age group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	% change
18 - 24 years	25,062	9.6%	28,525	13.8%	47,443	66.3%	39,750	-16.2%	14,688	58.6%
25 - 39 years	38,645	12.1%	44,171	14.3%	65,977	49.4%	62,064	-5.9%	23,419	60.6%
40 - 54 years	38,576	3.9%	41,355	7.2%	53,632	29.7%	52,773	-1.6%	14,197	36.8%
55 - 64 years	27,360	4.2%	28,880	5.6%	37,064	28.3%	39,051	5.4%	11,691	42.7%
Total	129,643	7.4%	142,931	10.2%	204,116	42.8%	193,638	-5.1%	63,995	49.4%

Source: Ministry of Social Development

Job seeker data for ethnic groups shows that the New Zealand European ethnic group in the Manawatū region experienced the largest increase in Job Seeker benefits between September 2018 and September 2021, with an increase of 22% from 2018. The Pacific Island ethnic group experienced the smallest annual increase (3%) while Māori benefit numbers increased by 20%.

Distribution of Job Seeker benefits by ethnic group

Number of Manawātū region residents registered for a Job Seeker benefit									Sept 18 to Sept 21 change	
	September 2018		September 2019		September 2020		September 2021			
Ethnic group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	% change
NZ European	1,444	7.0%	1,493	3.4%	1,955	30.9%	1,767	-9.6%	323	22.4%
Māori	1,218	19.1%	1,262	3.6%	1,546	22.5%	1,467	-5.1%	249	20.4%
Pacific Island	108	8.0%	102	-5.6%	123	20.6%	111	-9.8%	3	2.8%
All other ethnicities	413	2.5%	420	1.7%	538	28.1%	456	-15.2%	43	10.4%
Unspecified	103	33.8%	136	32.0%	213	56.6%	153	-28.2%	50	48.5%
Total	3,286	11.3%	3,413	3.9%	4,375	28.2%	3,954	-9.6%	668	20.3%

Number of New Zealand residents registered for a Job Seeker benefit									Sept 18 to Sept 21 change	
	September 2018		September 2019		September 2020		September 2021			
Ethnic group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	% change
NZ European	46,959	4.8%	50,031	6.5%	71,043	42.0%	66,675	-6.1%	19,716	42.0%
Māori	50,063	10.4%	56,581	13.0%	76,918	35.9%	74,439	-3.2%	24,376	48.7%
Pacific Island	10,066	14.1%	11,552	14.8%	18,048	56.2%	17,598	-2.5%	7,532	74.8%
All other ethnicities	18,358	4.3%	19,539	6.4%	29,110	49.0%	27,417	-5.8%	9,059	49.3%
Unspecified	4,197	1.6%	5,228	24.6%	8,997	72.1%	7,506	-16.6%	3,309	78.8%
Total	129,643	7.4%	142,931	10.2%	204,116	42.8%	193,635	-5.1%	63,992	49.4%

Source: Ministry of Social Development

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