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Household net worth statistics

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 Household net worth statistics

Abstract

Household net worth (HNW) statistics provides information on New Zealanders' net worth (total assets less total liabilities).

HNW statistics are based on data collected as part of the Household Economic Survey (HES). HES is an annual sample survey that collects a comprehensive range of statistics relating to income and expenditure, and demographic information on households and individuals in New Zealand. The survey runs every year, from 1 July to 30 June of the following year. It covers people aged 15 years and over (15+) who usually live in New Zealand permanent private dwellings. See Data collection methodology in Data collections for more details on the survey coverage.

There are three versions of HES.

- HES (Income)
- HES (Expenditure)
- HES (Savings)

HES (Income) is the primary content and is conducted every year, but combined with HES (Expenditure) and HES (Savings) alternately in the two years in between the standalone HES (Income) year. HES (Income) collects data on household and personal income, housing costs, household and person demographics, and material well-being. Information on housing costs includes expenditure on mortgages, rents, rates, and building-related insurance.

In HES (Expenditure), the survey also collects data on detailed expenditure by New Zealand households.

In HES (Savings), besides collecting data as in HES (Income), the survey also collects data on the assets and liabilities of households in order to determine their net worth. Questions on assets and liabilities are asked within existing HES modules in the income and expenditure questionnaires - where deemed relevant, or collected through separate set of questions (modules) at the end of the income questionnaire. Topics covered in the survey to collect data on wealth include:

- property owned (by type of property)
- mortgages
- equity in businesses
- assets and liabilities held in trusts
- superannuation scheme entitlements
- financial assets
- consumer durables
- other miscellaneous debt.

Purpose

HNW aims to provide a picture of the net worth (wealth) of New Zealanders, by looking at their household assets and liabilities – financial and non-financial. Conceptually, HNW is designed to look at the distribution of wealth by demographics rather than estimate total wealth. Being collected at the detailed level (ie. at individual and household levels), HNW can be tabulated against a range of demographic and economic variables such as age, sex, ethnicity (for individual data), and region, household size, and household composition (for household data).

Title

Household net worth statistics

Alternate title

HES; Net worth

Study Relationships

Datasets

No specified relationship

Instruments

No specified relationship

Language

No formal relationship - not a factor of grouping

Panel

No specified relationship

Geography

No specified relationship

Time

No specified relationship

Household net worth Statistics 2017/18

Title

Household net worth Statistics 2017/18

Alternate title

HES; Net worth

Household net worth concepts

Title

Household net worth concepts

Concepts

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Actual rents

Rent payments paid by the household. Imputed rent (the estimated benefit value from home-ownership of not having to pay rent, partly offset for home-owners by the expenses of home ownership) is not reported. Includes rent paid for primary property, and for other properties, and other payments connected with renting – that is, bonds, ground rent, and easements.

Age standardisation

Age standardisation adjusts the age structures of different groups such that they can be compared against each other. This allows us to compare populations (eg different ethnic groups) without showing differences that are due to different age structures.

Aggregate

Aggregate is the sum of all the values of a certain indicator. For example, total household assets is the sum of all household non-financial assets and household financial assets.

Assets

Assets are something a person or household owns, such as property or investments.

Average (mean)

The average value – the mean is calculated by adding two or more figures and dividing the sum by the number of figures.

Average weekly household expenditure

Sum of the weekly household expenditure of people reporting a type of expenditure, divided by the sum of the number of households in the population.

Bonds and other debt securities

Bonds and other debt securities is a certificate issued by a government or public company that promises to repay borrowed money at a fixed interest rate at a certain time. Examples are government saving bonds, corporate bonds, foreign bonds, and other non-saving bonds.

Building-related insurance

A household has expenditure on building-related insurance when it pays premiums to an insurance company or broker for coverage in the event of damage occurring to a dwelling.

Business

We consider respondents to be in business when they:

- start charging others for the goods/services they provide
-

supply goods/services on a regular basis

-

intend to make a profit from doing so.

We exclude businesses with shares on any stock exchange, or that are recorded in the investments module.

Capital value

Capital value is the probable price that would be paid for a property if it had been for sale at the date of the valuation. This is usually the property value shown on the last rates assessment notice from the local authority.

Consumer durables

These include vehicles such as cars, motor cycles, boats, and aircraft, and contents of the household's principal residence and other housing units (eg. kitchen and laundry appliances, furniture, computer and entertainment equipment, clothing, and other personal items, excluding valuables).

Consumer durable loans

Consumer durable loans are loans for the purchase of consumer durables.

Currency and deposits

Currency and deposits is money in an account with a bank, building society, or other financial institution, and cash over NZ\$ 1,000 in any currency not held in a bank.

Dwelling ownership

Dwelling ownership aggregates categories from the 'tenure of household' classification. Tenure refers to the

occupancy a household has in a private dwelling. It does not refer to the tenure of the land on which the dwelling is situated.

The dwelling can be classified in two ways:

- Owned or partly owned: dwellings that are held (or not held) in a family trust, regardless of whether mortgage payments are made or not made for the dwelling.

-

Dwelling not owned: dwellings where the household does not own the dwelling, and either pays rent or lives there rent-free.

Education loans

Education loans are loans to cover study expenses. Respondents reported a variety of student loans, including student loans from overseas and from sources other than Studylink.

Equity

Equity is the value of an owner's interest in an asset after expenses are paid. For example, the owner of a \$200,000 house that has an \$80,000 loan on it, has equity of \$120,000 on that house.

Household

Household is either one person who usually resides alone, or two or more people who usually reside together and share facilities (eg for eating or cooking) in a private dwelling. A household may contain one or more families, other people in addition to a family, or no families at all, such as unrelated people living together. We don't include non-private dwellings such as hostels, or the rest home and hospital sections of retirement homes (serviced apartments within retirement homes are counted as private dwellings).

Household financial assets

These are intangible assets whose value comes from a contractual claim, such as currency and deposits, shares, and pension funds.

Household non-financial assets

These are assets that are tangible with a physical value, such as real estate, consumer durables, and valuables.

Imputation

Imputation replaces missing values with actual values from similar respondents. See Imputation in data quality for more information.

Investment income

Net profit or loss received from investments. Investments captured in this collection are rent, rents from Māori land or other leased land, dividends from New Zealand companies, royalties, or interest from: banks, other financial institutions, bonds, stocks, money market funds, debentures, or securities.

Irregular income

Includes income received from inheritances, matrimonial settlement, lump sum life insurance pay outs, lump sum bursaries and prizes, and gifts of money from other New Zealand households.

Liability

This refers to an obligation such as a debt, mortgage, or loan. The liability's holder is obliged, under specific circumstances, to provide a payment or series of payments to whomever they are liable to.

Life insurance funds

Life insurance funds are policies where the household member could cash in their policy or withdraw funds. These are usually called endowment or 'whole of life' policies. We exclude insurance policies that are only paid out on the loss of life of the household member.

Market value

Market value of a property is the probable price the owner would get if they sold at any given date. It depends on market factors at that time.

Median

Median is the point where half the population is above and half below the stated amount. We calculated medians in this release using the SAS function proc survey means.

Mortgage payments

Consists of mortgage principal repayments, mortgage interest payments, and application and service fees for mortgages.

Mutual funds and other investment funds

These are collective investment instruments through which investors pool funds for investment in financial or non-financial assets. Examples are: mutual funds, hedge funds, unit trusts, income trusts, and other managed investment funds.

Net worth

Net worth is the value of a person or household's assets, minus their liabilities

 Other household financial assets

These are miscellaneous financial assets, that include loans made to trusts, other households, and money in overseas bank accounts.

 Other investment loans

These are loans to pay for financial assets and valuables, and other investment loans not already collected in other liability categories.

 Other loans and liabilities

These are miscellaneous loans and liabilities. They include amounts outstanding on credit cards, bank account overdrafts, and other lines of credit, if not included elsewhere.

 Other real estate

This covers residential and non-residential buildings (other than owner-occupied dwellings) and land owned by household members. The real estate may be rented or leased to other parties, or it may be used exclusively by the household.

 Other real estate loans

Other real estate loans are loans for constructing, purchasing, or improving other dwellings, buildings, and land. Examples are loans to purchase holiday homes and rental properties for investment purposes.

 Other sources of regular and recurring income

Includes income received from trusts, annuities, alimony, educational scholarships, and income protection insurance.

 Owner-occupied dwelling

Owner-occupied dwelling is the main dwelling or other type of housing unit occupied by household members on a regular basis. They include a city dwelling occupied by some household members during the working week, but exclude holiday dwellings used on an occasional basis. The residence may or may not have a mortgage or loan secured against it. The land on which the residence is located is included.

 Pension funds

Pension funds include entitlements in both employment-related social insurance pension schemes and private pension schemes. Pension schemes are sometimes known as retirement plans or superannuation schemes. They may be defined-benefit schemes (where the formula for defining a member's pension is agreed in

advance) or defined-contribution schemes, such as KiwiSaver (the amount of the pension depends on the performance of the assets acquired with the member's contributions).

Principal residence loans and other owner-occupied residence loans

These are loans for constructing, purchasing, or improving the household's owner-occupied residences. Examples are home mortgage loans, home equity lines of credit for home improvement, money borrowed for a deposit on a home purchase, and bridging finance taken out until a home loan is obtained. Questions on reverse mortgages were not included in the survey.

Private superannuation income

Includes income received from both job-related superannuation schemes and other private schemes.

Quasi -settlor

Quasi-settlor is a person in a household who reported being both a trustee and a beneficiary of a trust.

Quintiles

Quintiles are formed by dividing the population into five equal groups, from lowest to highest. The bottom quintile (quintile 1) is the lowest 20 percent of the population, while the top quintile (quintile 5) is the highest 20 percent.

Region

Region The Household Expenditure Survey sample design has five broad regions. The Wellington and Canterbury regional council areas, the Auckland Council area, and the remaining regional council areas, which are grouped as:

- Rest of North Island: Northland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, and Manawatu-Wanganui
-

Rest of South Island: Nelson, Marlborough, Tasman, West Coast, Otago, and Southland.

Sampling weights

Sampling weights are the number of units in the population represented by the sample member.

Self-employment income

The combined income received from self-employment activities. This could include net profit or loss received, wages or salaries, or lump sum payments from all current and previous self-employment jobs held over the

reference period. It includes drawings (cash or goods the respondent takes out of the business instead of a 'wage').

Settlor

Settlor is a person who transfers or sells assets to a trust.

Shares and other equity

Shares and other equity includes shares in corporations, and equity held in a family trust.

Statistical significance

Statistical significance in statistics, is a result considered significant not because it is important or meaningful, but because it is predicted as likely to occur by chance alone.

Total housing costs

Consists of expenditure from: mortgage principal repayments, mortgage interest payments, mortgage application fees, rent payments, other payments associated with renting (eg bonds paid in the last 12 months), property rates payments (both regional and local government), and payments associated with building-related insurance.

Trustee

Trustee is a person responsible for managing trust assets.

Unincorporated enterprises

Unincorporated enterprises are commercial enterprises not incorporated as a legal entity separate from the owner (household or individual); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners. They are usually sole proprietor or partnership companies, for example a self-employed plumber.

Valuables

Valuables are goods whose role is as a store of value. Examples are: precious stones and metals, fine jewellery, works of art, antiques, and stamp and coin collections.

Wages and salaries

Includes income received from all current and previous wage and salary jobs held over the reference period. This includes any job-related bonuses, commissions, redundancies, or other taxable income such as honoraria or directors fees.

Variables

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Aggregate

Type	Numeric (Integer)
Description	Aggregate is the sum of all the values of a certain indicator. For example, total household assets is the sum of all household non-financial assets and household financial assets.

Assets

Type	Numeric (Integer)
Description	Assets are something a person or household owns, such as property or investments.

Average (mean)

Type	Numeric (Integer)
Description	The average value – the mean is calculated by adding two or more figures and dividing the sum by the number of figures.

Bonds and other debt securities

Type	Numeric (Integer)
Description	Bonds and other debt securities is a certificate issued by a government or public company that promises to repay borrowed money at a fixed interest rate at a certain time. Examples are government saving bonds, corporate bonds, foreign bonds, and other non-saving bonds.

Business

Type	Numeric (Integer)
Description	<p>We consider respondents to be in business when they:</p> <ul style="list-style-type: none"> - start charging others for the goods/services they provide - supply goods/services on a regular basis - intend to make a profit from doing so. <p>We exclude businesses with shares on any stock exchange, or that are recorded in the investments module</p>

Capital value

Type	Numeric (Integer)
Description	Capital value is the probable price that would be paid for a property if it had been for sale at the date of the valuation. This is usually the property value shown on the last rates assessment notice from the local authority.

Consumer durables

Type	Numeric (Integer)
Description	These include vehicles such as cars, motor cycles, boats, and aircraft, and contents of the household's principal residence and other housing units (eg. kitchen and laundry appliances, furniture, computer and entertainment equipment, clothing, and other personal items, excluding valuables).

Consumer durable loans

Type	Numeric (Integer)
Description	Consumer durable loans are loans for the purchase of consumer durables.

Currency and deposits

Type	Numeric (Integer)
Description	Currency and deposits is money in an account with a bank, building society, or other financial institution, and cash over NZ\$ 1,000 in any currency not held in a bank.

DEP-17 index

Type	Numeric (Integer)
Description	The DEP-17 index focuses on the low living standards end of the spectrum and is calculated based on questions about 'enforced lack of essentials', 'economised, cut back, or delayed purchases a lot', 'in arrears more than once in last 12 months', and 'financial stress and vulnerability' .

Tenure

Type	Numeric (Integer)
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Description	<p>Refers to the nature of the occupancy of a household in a private dwelling at the time of the survey. It does not refer to the tenure of the land on which the dwelling is situated.</p> <p>Tenure refers to the occupancy a household has in a private dwelling. It does not refer to the tenure of the land on which the dwelling is situated. The dwelling can be classified in two ways:</p> <ul style="list-style-type: none"> - Owned or partly owned: dwellings that are held (or not held) in a family trust, regardless of whether mortgage payments are made or not made for the dwelling. - Dwelling not owned: dwellings where the household does not own the dwelling, and either pays rent or lives there rent-free. - A private dwelling accommodates a person or a group of people. It is not generally available for public use. The main purpose of a private dwelling is as a place of habitation, and it is usually built (or converted) to function as a self-contained housing unit. - A non-private dwelling provides short- or long-term communal or transitory type accommodation. Non-private dwellings are generally available to the public through employment, study, special need, legal requirement, or recreation.
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Education loans

Type	Numeric (Integer)
Description	Education loans are loans to cover study expenses. Respondents reported a variety of student loans, including student loans from overseas and from sources other than Studylink.

Equity

Type	Numeric (Integer)
Description	Equity is the value of an owner's interest in an asset after expenses are paid. For example, the owner of a \$200,000 house that has an \$80,000 loan on it, has equity of \$120,000 on that house.

Ethnic group

Type	Text
Description	Whether the person is European, Māori, Pacific peoples, Asian, Middle Eastern, Latin American, and African (MELAA); or other ethnic group. Ethnic groups in the Household economic survey is derived using the total response method. As people are able to identify with more than one ethnic group, figures will not sum to the total population.

Financial equity

Type	Numeric (Integer)
Description	Equity held in financial assets such as cash and stocks (shares) in corporations

Highest qualification

Type	Text
Description	The highest-level qualification successfully completed by the person.

Household

Type	Numeric (Integer)
Description	For survey purposes, a 'household' comprises a group of people who share a private dwelling and normally spend four or more nights a week in the household. They must share consumption of food or contribute some portion of income towards the provision of essentials for living as a group.

Household composition

Type	Text
Description	The make up of the type of people living in the household such as couple with/without children, with dependent children, number of families in the household, one-person household

Household crowding

Type	Numeric (Integer)
Description	Household crowding measure using the Canadian national occupant standard (CNOS) adapted for a gender-based response: <ul style="list-style-type: none"> - there should be no more than two persons per bedroom - children less than five years may reasonably share a bedroom – irrespective of their gender - male, female, another - children five to 17 years may reasonably share a bedroom only with the same gender (male only with another male; female only with female and people of another gender only with someone else of another gender) - single adults 18 years and over and any unpaired children require a separate bedroom - household members 18 years or over should have a separate bedroom, as should parents or couples

Household financial assets

Type	Numeric (Integer)
Description	These are intangible assets whose value comes from a contractual claim, such as currency and deposits, shares, and pension funds.

Household income

Type	Numeric (Integer)
Description	Household income is the sum of total personal income for all members in a household who are 15 years and over

Household non-financial assets

Type	Numeric (Integer)
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Description	These are assets that are tangible with a physical value, such as real estate, consumer durables, and valuables.
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Household size

Type	Text
Description	The number of people in the household.

Investment income

Type	Numeric (Integer)
Description	Net profit or loss received from investments. Investments captured in this collection are rent, rents from Māori land or other leased land, dividends from New Zealand companies, royalties, or interest from: banks, other financial institutions, bonds, stocks, money market funds, debentures, or securities.

Liability

Type	Numeric (Integer)
Description	This refers to an obligation such as a debt, mortgage, or loan. The liability's holder is obliged, under specific circumstances, to provide a payment or series of payments to whomever they are liable to.

Life insurance funds

Type	Numeric (Integer)
Description	Life insurance funds are policies where the household member could cash in their policy or withdraw funds. These are usually called endowment or 'whole of life' policies. We exclude insurance policies that are only paid out on the loss of life of the household member.

Market value

Type	Numeric (Integer)
Description	Market value of a property is the probable price the owner would get if they sold at any given date. It depends on market factors at that time.

Material wellbeing index

Type	Numeric (Integer)
Description	The material wellbeing index (MWI) covers the whole spectrum of material well-being and is based around questions on material wellbeing asked in the wellbeing module in each HES year.

Median

Type	Numeric (Integer)
Description	The point where half the population is above and half below the stated amount.

 Mortgage payments

Type	Numeric (Integer)
Description	Consists of mortgage principal repayments, mortgage interest payments, and application and service fees for mortgages.

 Mutual funds and other investment funds

Type	Numeric (Integer)
Description	These are collective investment instruments through which investors pool funds for investment in financial or non-financial assets. Examples are: mutual funds, hedge funds, unit trusts, income trusts, and other managed investment funds.

 Net worth

Type	Numeric (Integer)
Description	Net worth is the value of a person or household's assets, minus their liabilities

 New Zealand Superannuation and war pensions

Type	Numeric (Integer)
Description	In addition to New Zealand Superannuation, this category includes the veterans, war disablement, and surviving spouse pensions.

 Non-financial equity

Type	Numeric (Integer)
Description	Equity held in non-financial assets such as dwellings

 Other equity

Type	Numeric (Integer)
Description	Includes financial shares held in a private company other than as common shares, debentures securities or Options

 Other household financial assets

Type	Numeric (Integer)
Description	These are miscellaneous financial assets, that include loans made to trusts, other households, and money in overseas bank accounts.

 Other investment loans

Type	Numeric (Integer)
Description	These are loans to pay for financial assets and valuables, and other investment loans not already collected in other liability categories.

 Other loans and liabilities

Type	Numeric (Integer)
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Description	These are miscellaneous loans and liabilities. They include amounts outstanding on credit cards, bank account overdrafts, and other lines of credit, if not included elsewhere.
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Other real estate

Type	Numeric (Integer)
Description	This covers residential and non-residential buildings (other than owner-occupied dwellings) and land owned by household members. The real estate may be rented or leased to other parties, or it may be used exclusively by the household.

Other real estate loans

Type	Numeric (Integer)
Description	These are loans for constructing, purchasing, or improving other real estate.

Owner-occupied dwelling

Type	Numeric (Integer)
Description	Owner-occupied dwelling is the main dwelling or other type of housing unit occupied by household members on a regular basis. They include a city dwelling occupied by some household members during the working week, but exclude holiday dwellings used on an occasional basis. The residence may or may not have a mortgage or loan secured against it. The land on which the residence is located is included.

Pension funds

Type	Numeric (Integer)
Description	Pension funds include entitlements in both employment-related social insurance pension schemes and private pension schemes. Pension schemes are sometimes known as retirement plans or superannuation schemes. They may be defined-benefit schemes (where the formula for defining a member's pension is agreed in advance) or defined-contribution schemes, such as KiwiSaver (the amount of the pension depends on the performance of the assets acquired with the member's contributions).

Percentage of households reporting

Type	Numeric (Integer)
Description	Sum of the households reporting a type of expenditure or income, divided by the sum of the number of households in the population.

Percentile

Type	Numeric (Integer)
Description	Each of the 100 equal groups into which a population can be divided

Principal residence loans and other owner-occupied residence loans

Type	Numeric (Integer)
Description	These are loans for constructing, purchasing, or improving the household's owner-occupied residences. Examples are home mortgage loans, home equity lines of credit for home improvement, money borrowed for a deposit on a home purchase, and bridging finance taken out until a home loan is obtained. Questions on reverse mortgages were not included in the survey.

Private superannuation income

Type	Numeric (Integer)
Description	Private superannuation income includes income received from both job-related superannuation schemes and other private schemes but excludes income from NZ Superannuation.

Quasi -settlor

Type	Numeric (Integer)
Description	Quasi-settlor is a person in a household who reported being both a trustee and a beneficiary of a trust.

Quintile

Type	Numeric (Integer)
Description	Quintiles are formed by dividing the population into five equal groups, from lowest to highest. The bottom quintile (quintile 1) is the lowest 20 percent of the population, while the top quintile (quintile 5) is the highest 20 percent.

Region

Type	Text
Description	<p>The Household Expenditure Survey sample design has five broad regions. The Wellington and Canterbury regional council areas, the Auckland Council area, and the remaining regional council areas, which are grouped as:</p> <p>Rest of North Island: Northland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, and Manawatu-Wanganui</p> <p>Rest of South Island: Nelson, Marlborough, Tasman, West Coast, Otago, and Southland.</p> <p>With an expanded sample size of 20,000 households, HES sample design now provides data on 12 regions. These are: Northland, Auckland, Waikato, Bay of plenty, Gisborne and Hawke's Bay, Taranaki, Manawatu-Wanganui, Wellington, West coast- Tasman- Nelson – Marlborough, Canterbury, Otago, and Southland.</p>

Settlor

Type	Numeric (Integer)
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Description	Settlor is a person who transfers or sells assets to a trust.
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Shares and other equity

Type	Numeric (Integer)
Description	Shares and other equity includes shares in corporations, and equity held in a family trust.

Trustee

Type	Numeric (Integer)
Description	Trustee is a person responsible for managing trust assets.

Unincorporated enterprises

Type	Numeric (Integer)
Description	Unincorporated enterprises are commercial enterprises not incorporated as a legal entity separate from the owner (household or individual); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners. They are usually sole proprietor or partnership companies, for example a self-employed plumber.

Valuables

Type	Numeric (Integer)
Description	Valuables are goods whose role is as a store of value. Examples are: precious stones and metals, fine jewellery, works of art, antiques, and stamp and coin collections.

Data Collections

Household net worth data collection

#####Description

Information on New Zealanders' wealth (assets and liabilities) provided in this release is based on data collected as part of the HES (Savings) 2017/18. The survey was carried out from 01 July 2017 to 30 June 2018.

#####Recall period

Recall period in the survey varies from latest payment made/income received, to payments made/income received in the last 12 months. As the survey was carried out continuously from 1 July 2017 to 30 June 2018, different households had different recall periods. Thus, households interviewed on 1 July 2017 had a recall period from 1 July 2016 to 30 June 2017 while households interviewed on 30 June 2018 had recall period from 01 July 2017 to 30 June 2018.

Response rate for HES 2017/18

The sample size for HES 2017/18 was approximately 8,000 households. The achieved sample rate was 68.6 percent and our response rate was 76.3 percent.

Achieved sample rate compared with the response rate

The achieved sample rate is calculated as the number of eligible households that responded divided by the

total number of dwellings sampled. Essentially, it tells you what percentage of the sample responded to the survey. Expressing the achieved sample as a rate controls for population growth.

		Eligible responding
Achieved Sample Rate =		_____
		Ineligible + eligible responding + eligible non-responding

The response rate is calculated as the number of eligible households that responded to the survey as a proportion of the estimated number of total eligible households in the sample.

		Eligible responding
Response rate =		_____
		Eligible responding + eligible non-responding

The achieved sample rate differs from the response rate because it includes the ineligible dwellings in the denominator. This difference means that the response rate is particularly sensitive to the classification of household eligibility. As a result, the achieved sample rate is more stable over time than the response rate. We reached a response rate of 76.3 percent (post-imputation). While response rates have been declining over time, the impact of any bias arising from this is minimised by non-response adjustment and the calibration to population benchmarks.

Imputation for HES 2017/18

Imputation in HES replaces missing values with actual values from similar respondents. The table below shows the effect of imputation for the 2017/18 survey.

As a result of recovering and imputing records, the response rate for the year ended 30 June 2018 improved from 73.4 percent to 76.3 percent.

In addition to imputation carried out to replace missing values for the HES variables, we also imputed values for assets and liabilities. There are three situations where we imputed for assets and liabilities:

- For non-trust and non-business asset and liability records where a value is not provided, we replace only that value with a value from a selected donor.
-

For trust and business records where a value is not provided for any asset or liability of the trust or business, we replace all the asset and liability records for that trust or business with those from a selected donor.

-

We impute income questionnaires for household members of eligible responding households that do not fully

complete their income questionnaire. The asset and liability records for these people are replaced with the records of the donor used for income imputation.

Imputation is done at the individual level, which may cause inconsistencies at the household level. For example, ownership of a property may appear to add up to more than 100 percent.

Sampling errors

We calculate sampling errors using the jackknife method. It is based on the variation between estimates of different subsamples taken from the whole sample.

While sampling errors by asset and liability type for HES 2014/15 and HES 2017/18 is shown in the tables accompanying the main release, the tables below summarise the sampling errors for average annual household income and average weekly household expenditure by expenditure type.

Customers should take care when interpreting estimates with sampling errors greater than 20 percent – they are statistically less reliable than estimates with sampling errors less than or equal to 20 percent.

Sampling errors for average annual household income, by income source (for households receiving that source of income)
Years ended 30 June, 2015 and 2018
Income source
Wages and salaries
Self-employment
Investments
Private superannuation
New Zealand Superannuation and war pensions
Other government benefits

**Sampling errors
for average
annual
household
income, by
income source
(for households
receiving that
source of
income)**

Other sources

Total regular
income

**Sampling errors
for average
weekly
household
expenditure, by
housing cost
type (for
households with
that type of
expenditure)**

Years ended 30
June, 2015 and
2018

**Expenditure
item**

Property and
ground rent

Other payments
connected with
renting

Total rent
payments

Mortgage
principal
repayments

Sampling errors for average weekly household expenditure, by housing cost type (for households with that type of expenditure)
Mortgage interest payments
Application and service fees for mortgages
Total mortgage payments
Property rates
Building related insurance
Other housing costs
Total housing costs

Age Standardisation

To mitigate the effects of the Māori and Pacific population having a much younger age structure than the total New Zealand population, we have adjusted for age through age standardisation. Without age standardisation, median and mean figures for the variable of interest (eg net worth) by age-group, can potentially be distorted. Age standardisation is a commonly applied technique to control such distortions; it allows more meaningful comparisons between the sub-populations.

We standardise age by re-scaling the underlying weights of the unit record data for each ethnic group – to reflect a 'standard' age distribution. We use the age distribution for the overall population of the net worth sample.

Caveats

Property

There are occasions where respondents mentioned they have other property, but it is scoped out of the HES part of the questionnaire because it is for business purposes. Sometimes the respondent then did not mention it in the property, business, or trust sections (where we expected they would). This may have resulted in under-reporting of the value of property assets.

Bank accounts

In 2014/15 many respondents did not see bank accounts as investments. As a result, the number and value of

assets held in bank accounts were undervalued. To improve this, in 2017/18 bank accounts were asked about separately from other investments and details of many more bank accounts were collected. However, quite a few bank accounts with low values were still collected.

#####Superannuation

We found some respondents said they received superannuation contributions from their employer but did not then give details of a superannuation scheme. This may have led to under-reporting of superannuation schemes.

#####Life insurance

Although the questionnaire asked for the value of life insurance (the value if cashed in today) many respondents gave the value that the life insurance would pay out when the insured person died. For the most obvious cases, the life insurance record was removed.

#####Businesses

We suspect some respondents did not report all the businesses they owned – whether they had sole ownership, or were in partnership with others. For example there are occasions where if one person in the household mentioned a business their partner may have felt they did not need to mention it. This has potentially led to under-reporting of business assets. It is suspected that debt in businesses has been under-reported because some respondents may have included the debt in the market value. Some partners living together in a household responded that they both owned all of a business. Where this was identified and could be verified it was corrected.

#####Family trusts

We only asked the questions on the assets and liabilities of trusts of settlors or quasi settlors (a person in the household who reported being both a trustee and beneficiary of the trust). We did this because those who were only a beneficiary, or only a trustee, were less likely to know about the contents of the trust. Some respondents were unsure of their relationship to the trust, which may have led to fewer respondents identifying as a settlor or quasi settlor, and therefore an under-reporting of trust wealth.

#####Limits on collected values

To reduce respondent burden, respondents were not asked to provide the value of smaller-value items. This may have resulted in some under-reporting. All assets and liability values we collected had no minimum value unless mentioned in the table below.

#####Oversampling

We made no attempt to oversample high income/wealth households, due to the practical difficulties associated with identifying this sub-population and collecting from them.

#####Interpreting the data

Customers need to consider the following when interpreting data from this survey.

- A household's expenditure or income can be influenced by household size, household composition, geographic location, and employment-related factors.

-

All income figures refer to gross (before tax) income, and housing-cost expenditure includes GST, where it applies.

-

The five broad regions reported are based on the regional council areas of Wellington and Canterbury, and the Auckland Council area. Regions also include the combined 'Rest of the North Island', and 'Rest of the South

Island'. This level of geographical breakdown is the lowest available for HES, due to the sample design.

-

Where a trust exists that owns assets (or owes liabilities) the entirety of the trust's share of the assets and liabilities were allocated to settlors and quasi-settlors of the trust in the household. Each individual received an equal share of the trust assets/liabilities.

-

Where a household (or individual) has equity (assets minus liabilities) held in a trust, the net value of all these (the value of all assets less the value of all liabilities) is recorded as a single entry – as a financial asset in the 'Shares and other equity' component. Note: this net equity value can be negative (where the value of the trust liabilities exceeds the value of the trust assets).

-

The median and mean values used in this release are for individuals/households who had the specific asset or liability. For example, the median value of owner-occupied dwellings is the median value for those who have an owner-occupied dwelling, not the median value for everyone (whether they have an owner-occupied dwelling or not). Table 1.03 and 1.04 in the Excel tables of the release shows differences between the means for those with the specific asset/liability and the means for the total population.

Methodology

The target population for HES is the usually resident population of New Zealand living in private dwellings, aged 15 years and over (15+). This population does not include:

- overseas visitors who expect to be resident in New Zealand for less than 12 months
- people living in non-private dwellings (eg hotels, motels, boarding houses, hostels, and homes for the elderly)
- patients in hospitals, or residents of psychiatric or penal institutions
- members of the permanent armed forces in group living facilities (eg barracks)
- people living on offshore islands (excluding Waiheke Island)
- members of the non-New Zealand armed forces
- non-New Zealand diplomats and their families.

Children at boarding schools are also not surveyed, but housing costs on behalf of those children are included in the record-keeping of the parent or guardian. The survey population is therefore marginally different from the target population.

For survey purposes, a 'household' comprises a group of people who share a private dwelling and normally spend four or more nights a week in the household. They must share consumption of food or contribute some portion of income towards the provision of essentials for living as a group.

HES components

As in HES (income), HES (savings) has four survey components:

- a household questionnaire
- an housing expenditure questionnaire
- an income questionnaire for each household member aged 15+
- a material well-being questionnaire for one member per household who is aged 18+ (chosen randomly).

The HES (savings) survey, besides collecting information from sampled New Zealand households on the above topics, also collects information on New Zealanders' savings, assets, and liabilities.

Topics covered in the survey to collect data on wealth include:

Household net worth = (what you own) LESS (what you owe)
Assets (what you own)
Real estate Owner-occupied residences Other residential and non-residential property
Other physical assets Consumer durables Valuables
Financial assets Currency and deposits Investments (eg shares, mutual funds) Net equity in unincorporated businesses Net equity in trusts Pension funds (superannuation funds)
Total Assets

We ask questions on assets and liabilities within existing HES modules in the income and expenditure questionnaires, or collect the information as separate sets of questions (modules) at the end of the income questionnaire.

Topics related to net worth covered within existing HES modules include:

- principal residence [housing costs]
- other non-investment properties [other property]
- mortgages for principal residence and non-investment properties [mortgages and loans]
- superannuation schemes [private superannuation]
- New Zealand financial assets [investments]
- New Zealand investment property assets and liabilities [investments]
- overseas property and financial assets [overseas income].

Topics covered in separate modules include::

- life insurance
- equity in businesses

- motor vehicles, collectibles, and cash assets
- household durables
- trusts
- non-property debt.

Reliability of survey estimates

Two types of errors are possible in estimates based on a sample survey – sampling error and non-sampling error.

#####Sampling error:

Sampling error is a measure of the variability that occurs by chance because a sample rather than an entire population is surveyed.

We calculate sampling errors using the jackknife method. It is based on the variation between estimates of different subsamples taken from the whole sample.

Given a certain sample size, the level of sampling error for any given estimate depends on the number of sampled households/individuals in the category of interest and the variability of the estimate due to the random nature of the sample selection.

As the size of the sampled group decreases, the relative sampling errors (RSEs – sample error as a percentage of the estimate) will generally increase. For example, the estimated average annual household income from self-employment would have a larger RSE than the estimated average annual household income for households receiving income from wages and salaries.

In the tables accompanying the Household net worth statistics, only income or expenditure estimates with RSEs less than or equal to 20 percent are considered sufficiently reliable for most purposes. Although estimates with RSEs over 21 percent are also included, these should be used with caution. Estimates with RSEs over 100 though also provided, these are not deemed very useful.

#####Non-sampling errors:

Non-sampling errors arise from biases in the patterns of response and non-response, questionnaire design, inaccuracies in reporting by respondents, and errors in recording and coding data. We endeavour to minimise the impact of these errors by applying best-practice survey methods and monitoring known indicators (eg non-response).

#####Proxy

A proxy may provide information in 'family type' households where:

- the whole household is informed about the survey. All agree to participate, but are not able to be present when the questionnaires are administered
- children are away at boarding school
- people don't work and have no source of income
- people are elderly, sick, or mentally incapacitated.

In all proxy interviews, the interviewer must be convinced the proxy is totally familiar with the other respondent's information.

#####Population weighting adjustments

The population weighting process takes account of under-coverage in the survey for specific population groups, such as young males and Māori.

Weighting plays a vital role in estimation. We give each unit in the sample a weight that indicates the number of people it represents in the final population estimate. Weighting ensures that estimates reflect the sample

design, adjusts for non-response, and aligns estimates with the current population estimates. For household surveys, deriving the weight is a multi-phase process.

The first stage of weighting involves calculating a unit's initial weight. The initial weight depends on the sample design and equals the inverse of the selection probability.

The second stage involves adjusting the initial weights to account for unit non-response. This refers to a household without information, or where the amount of information provided (and/or quality of) is insufficient to be a response. The initial weight of a non-responding unit is reduced to zero, while initial weights of responding units are scaled up – by combining factors within the estimation group (eg region, ethnic densities, urban/rural, and interview quarter).

The final stage in the weighting process is integrated weighting. This process ensures we give all eligible responding individuals within a household the same weight so we can produce household statistics. Integrated weighting also aligns estimates with externally sourced population individual and household benchmarks, and adjusts for under-count of specific sub-population groups (eg young males and Māori).

The population used for the integrated weighting was benchmarked to estimates based on the 2013 Census.

#####HES benchmarks

The person benchmarks used for HES are: regional population estimates; children sub-population estimates by three age groups; adult sub-population estimates by sex and 13 age groups (including 75 years and over); and adult Māori sub-population estimates by two age groups (including 30 years and over).

The household benchmarks are two categories of household composition (two-adult households and non-two-adult households), and these categories split further by regions.

Population estimates are based on the 2013 Census.

#####Consistency with other periods

Although we adjust survey results for various demographic variables (age, sex, and region), there can be variability in survey estimates from one survey collection period to the next. This variability is because a different group of households is selected for each survey.

#####Using material well-being data

The material well-being questionnaire asks about ownership of particular items, or doing certain activities, and the extent that people economise. We also ask respondents how they rate their life satisfaction and whether income meets everyday needs.

From the material well-being questionnaire we publish selected results for satisfaction levels, and for adequacy of income to meet everyday needs. Stats NZ does not produce an index measurement of material well-being from this data. Other agencies can use such index data in conjunction with other measures (eg income, expenditure on housing costs, or household demographics), to give an indication of the material standard of living of New Zealanders.

#####Suppressed estimates

We suppress estimates in this release if based on fewer than five people or households for total or mean values, or fewer than 10 people or households for median values. Publishing would be a risk to respondents' confidentiality.

Data is no longer suppressed if a relative sample error is 51 percent or higher (21 percent for cross-tabulated data).

Previous surveys with net worth data

Prior to the current net worth statistics, Stats NZ had collected and published data titled [Household Net Worth Statistics: Year ended June 2015](#). This was based on data collected through the Household Economic Survey (HES): 2014/15. As net worth feeds into vital economic measures for the country, such as the Reserve Bank's household balance sheet, we consider it important that HES net worth data is accurate and reflects the real net worth patterns and income of households. Towards this objective, and to improve respondents' experience, we redesigned the net worth related questions in HES 2017/18 compared with the questions used in HES 2014/15.

We advise data users to read [Improving net worth statistics](#) for details on what changes have been made between the current Household net worth statistics: Year ended June 2018 and Household Net Worth Statistics: Year ended June 2015 and how these changes would affect our data users.

Before the HES 2014/15, we had two surveys that measured net worth – the Household Savings Survey (HSS), and the Survey of Family, Income and Employment (SoFIE).

- The HSS was the first household survey to measure household net worth in New Zealand. The HSS ran in 2001 as a one-off stand-alone survey. It collected information from individuals or couples within a household who were aged 18 years and over. We surveyed approximately 6,600 households in the core sample, and an additional 6,600 were approached and screened for inclusion in the Māori booster sample. The HSS provided statistics on the level, value, composition, and distribution of assets, liabilities, and net worth.

-

Survey of Family, Income and Employment (SoFIE) first went into the field in October 2002. It was a longitudinal survey that ran for eight years, with the same respondents being revisited yearly to build a picture of how their circumstances changed over time. SoFIE's sample in the first year of data collection was 15,000 households, but as the years went on, the sample size decreased. Questions relating to respondents assets and liabilities were included in every second wave of the 8 wave survey.

Before attempting to make any time series comparison between our household net worth statistics as derived using data from HES, HSS and SoFIE, we advise users to read the document [Sources of household net worth statistics](#).

Methodology

Previous Surveys with net worth data

The comparison of household net worth statistics

Besides the household net worth statistics released by Stats NZ, data on household net worth is also released by the Reserve Bank of New Zealand (RBNZ) in its [Household balance sheet](#) as well as by Statistics' New Zealand in its [Annual balance sheets](#).

We advise data users to read the paper [Comparison of household net worth statistics](#) which describes and discusses the methodological and conceptual differences between three sources of household net worth statistics.

Instruments

Household Economic Survey flowchart - Savings 2017/18

- [Household Economic Survey flowchart - Material well-being 2017/18](#)
- [Household Economic Survey flowchart - Expenditure 2017/18](#)
- [Household Economic Survey flowchart - Income 2017/18](#)
- [Household Economic Survey flowchart - Household 2017/18](#)

Household Economic Survey flowchart - Material well-being 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/794/rec/4>

Household Economic Survey flowchart - Expenditure 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/760>

Household Economic Survey flowchart - Income 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/761/rec/3>

Household Economic Survey flowchart - Household 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/799/rec/2>

Household net worth concepts

Title

Household net worth concepts

Concepts

Household net worth statistics Concepts

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- [Age standardisation](#)
- [Aggregate](#)
- [Assets](#)
- [Average \(mean\)](#)
- [Average weekly household expenditure](#)
- [Bonds and other debt securities](#)
- [Building-related insurance](#)
- [Business](#)
- [Capital value](#)
- [Consumer durables](#)

- Consumer durable loans
- Currency and deposits
- Dwelling ownership
- Education loans
- Equity
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- Other sources of regular and recurring income
- Owner-occupied dwelling
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- Principal residence loans and other owner-occupied residence loans
- Private superannuation income
- Quasi -settlor
- Quintiles
- Region
- Sampling weights
- Self-employment income
- Settlor
- Shares and other equity
- Statistical significance
- Total housing costs
- Trustee
- Unincorporated enterprises
- Valuables
- Wages and salaries



Actual rents

Rent payments paid by the household. Imputed rent (the estimated benefit value from home-ownership of not having to pay rent, partly offset for home-owners by the expenses of home ownership) is not reported. Includes rent paid for primary property, and for other properties, and other payments connected with renting – that is, bonds, ground rent, and easements.

 Age standardisation

Age standardisation adjusts the age structures of different groups such that they can be compared against each other. This allows us to compare populations (eg different ethnic groups) without showing differences that are due to different age structures.

 Aggregate

Aggregate is the sum of all the values of a certain indicator. For example, total household assets is the sum of all household non-financial assets and household financial assets.

 Assets

Assets are something a person or household owns, such as property or investments.

 Average (mean)

The average value – the mean is calculated by adding two or more figures and dividing the sum by the number of figures.

 Average weekly household expenditure

Sum of the weekly household expenditure of people reporting a type of expenditure, divided by the sum of the number of households in the population.

 Bonds and other debt securities

Bonds and other debt securities is a certificate issued by a government or public company that promises to repay borrowed money at a fixed interest rate at a certain time. Examples are government saving bonds, corporate bonds, foreign bonds, and other non-saving bonds.

 Building-related insurance

A household has expenditure on building-related insurance when it pays premiums to an insurance company or broker for coverage in the event of damage occurring to a dwelling.

 Business

We consider respondents to be in business when they:

- start charging others for the goods/services they provide
-

supply goods/services on a regular basis

-

intend to make a profit from doing so.

We exclude businesses with shares on any stock exchange, or that are recorded in the investments module.

Capital value

Capital value is the probable price that would be paid for a property if it had been for sale at the date of the valuation. This is usually the property value shown on the last rates assessment notice from the local authority.

Consumer durables

These include vehicles such as cars, motor cycles, boats, and aircraft, and contents of the household's principal residence and other housing units (eg. kitchen and laundry appliances, furniture, computer and entertainment equipment, clothing, and other personal items, excluding valuables).

Consumer durable loans

Consumer durable loans are loans for the purchase of consumer durables.

Currency and deposits

Currency and deposits is money in an account with a bank, building society, or other financial institution, and cash over NZ\$ 1,000 in any currency not held in a bank.

Dwelling ownership

Dwelling ownership aggregates categories from the 'tenure of household' classification. Tenure refers to the occupancy a household has in a private dwelling. It does not refer to the tenure of the land on which the dwelling is situated.

The dwelling can be classified in two ways:

- Owned or partly owned: dwellings that are held (or not held) in a family trust, regardless of whether mortgage payments are made or not made for the dwelling.

-

Dwelling not owned: dwellings where the household does not own the dwelling, and either pays rent or lives there rent-free.

Education loans

Education loans are loans to cover study expenses. Respondents reported a variety of student loans, including student loans from overseas and from sources other than Studylink.

 Equity

Equity is the value of an owner's interest in an asset after expenses are paid. For example, the owner of a \$200,000 house that has an \$80,000 loan on it, has equity of \$120,000 on that house.

 Household

Household is either one person who usually resides alone, or two or more people who usually reside together and share facilities (eg for eating or cooking) in a private dwelling. A household may contain one or more families, other people in addition to a family, or no families at all, such as unrelated people living together. We don't include non-private dwellings such as hostels, or the rest home and hospital sections of retirement homes (serviced apartments within retirement homes are counted as private dwellings).

 Household financial assets

These are intangible assets whose value comes from a contractual claim, such as currency and deposits, shares, and pension funds.

 Household non-financial assets

These are assets that are tangible with a physical value, such as real estate, consumer durables, and valuables.

 Imputation

Imputation replaces missing values with actual values from similar respondents. See Imputation in data quality for more information.

 Investment income

Net profit or loss received from investments. Investments captured in this collection are rent, rents from Māori land or other leased land, dividends from New Zealand companies, royalties, or interest from: banks, other financial institutions, bonds, stocks, money market funds, debentures, or securities.

 Irregular income

Includes income received from inheritances, matrimonial settlement, lump sum life insurance pay outs, lump sum bursaries and prizes, and gifts of money from other New Zealand households.

 Liability

This refers to an obligation such as a debt, mortgage, or loan. The liability's holder is obliged, under specific circumstances, to provide a payment or series of payments to whomever they are liable to.

 Life insurance funds

Life insurance funds are policies where the household member could cash in their policy or withdraw funds. These are usually called endowment or 'whole of life' policies. We exclude insurance policies that are only paid out on the loss of life of the household member.

 Market value

Market value of a property is the probable price the owner would get if they sold at any given date. It depends on market factors at that time.

 Median

Median is the point where half the population is above and half below the stated amount. We calculated medians in this release using the SAS function proc survey means.

 Mortgage payments

Consists of mortgage principal repayments, mortgage interest payments, and application and service fees for mortgages.

 Mutual funds and other investment funds

These are collective investment instruments through which investors pool funds for investment in financial or non-financial assets. Examples are: mutual funds, hedge funds, unit trusts, income trusts, and other managed investment funds.

 Net worth

Net worth is the value of a person or household's assets, minus their liabilities

 Other household financial assets

These are miscellaneous financial assets, that include loans made to trusts, other households, and money in overseas bank accounts.

 Other investment loans

These are loans to pay for financial assets and valuables, and other investment loans not already collected in other liability categories.

 Other loans and liabilities

These are miscellaneous loans and liabilities. They include amounts outstanding on credit cards, bank account overdrafts, and other lines of credit, if not included elsewhere.

Other real estate

This covers residential and non-residential buildings (other than owner-occupied dwellings) and land owned by household members. The real estate may be rented or leased to other parties, or it may be used exclusively by the household.

Other real estate loans

Other real estate loans are loans for constructing, purchasing, or improving other dwellings, buildings, and land. Examples are loans to purchase holiday homes and rental properties for investment purposes.

Other sources of regular and recurring income

Includes income received from trusts, annuities, alimony, educational scholarships, and income protection insurance.

Owner-occupied dwelling

Owner-occupied dwelling is the main dwelling or other type of housing unit occupied by household members on a regular basis. They include a city dwelling occupied by some household members during the working week, but exclude holiday dwellings used on an occasional basis. The residence may or may not have a mortgage or loan secured against it. The land on which the residence is located is included.

Pension funds

Pension funds include entitlements in both employment-related social insurance pension schemes and private pension schemes. Pension schemes are sometimes known as retirement plans or superannuation schemes. They may be defined-benefit schemes (where the formula for defining a member's pension is agreed in advance) or defined-contribution schemes, such as KiwiSaver (the amount of the pension depends on the performance of the assets acquired with the member's contributions).

Principal residence loans and other owner-occupied residence loans

These are loans for constructing, purchasing, or improving the household's owner-occupied residences. Examples are home mortgage loans, home equity lines of credit for home improvement, money borrowed for a deposit on a home purchase, and bridging finance taken out until a home loan is obtained. Questions on reverse mortgages were not included in the survey.

Private superannuation income

Includes income received from both job-related superannuation schemes and other private schemes.

 Quasi-settlor

Quasi-settlor is a person in a household who reported being both a trustee and a beneficiary of a trust.

 Quintiles

Quintiles are formed by dividing the population into five equal groups, from lowest to highest. The bottom quintile (quintile 1) is the lowest 20 percent of the population, while the top quintile (quintile 5) is the highest 20 percent.

 Region

Region The Household Expenditure Survey sample design has five broad regions. The Wellington and Canterbury regional council areas, the Auckland Council area, and the remaining regional council areas, which are grouped as:

- Rest of North Island: Northland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, and Manawatu-Wanganui

-

Rest of South Island: Nelson, Marlborough, Tasman, West Coast, Otago, and Southland.

 Sampling weights

Sampling weights are the number of units in the population represented by the sample member.

 Self-employment income

The combined income received from self-employment activities. This could include net profit or loss received, wages or salaries, or lump sum payments from all current and previous self-employment jobs held over the reference period. It includes drawings (cash or goods the respondent takes out of the business instead of a 'wage').

 Settlor

Settlor is a person who transfers or sells assets to a trust.

 Shares and other equity

Shares and other equity includes shares in corporations, and equity held in a family trust.

 Statistical significance

Statistical significance in statistics, is a result considered significant not because it is important or meaningful, but because it is predicted as likely to occur by chance alone.

Total housing costs

Consists of expenditure from: mortgage principal repayments, mortgage interest payments, mortgage application fees, rent payments, other payments associated with renting (eg bonds paid in the last 12 months), property rates payments (both regional and local government), and payments associated with building-related insurance.

Trustee

Trustee is a person responsible for managing trust assets.

Unincorporated enterprises

Unincorporated enterprises are commercial enterprises not incorporated as a legal entity separate from the owner (household or individual); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners. They are usually sole proprietor or partnership companies, for example a self-employed plumber.

Valuables

Valuables are goods whose role is as a store of value. Examples are: precious stones and metals, fine jewellery, works of art, antiques, and stamp and coin collections.

Wages and salaries

Includes income received from all current and previous wage and salary jobs held over the reference period. This includes any job-related bonuses, commissions, redundancies, or other taxable income such as honoraria or directors fees.

Variables

Household net worth statistics (Published)

- [Aggregate](#)
- [Assets](#)
- [Average \(mean\)](#)
- [Bonds and other debt securities](#)
- [Business](#)
- [Capital value](#)
- [Consumer durables](#)
- [Consumer durable loans](#)
- [Currency and deposits](#)
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- Tenure
- Education loans
- Equity
- Ethnic group
- Financial equity
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- Household
- Household composition
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- Mortgage payments
- Mutual funds and other investment funds
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- New Zealand Superannuation and war pensions
- Non-financial equity
- Other equity
- Other household financial assets
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- Other real estate loans
- Owner-occupied dwelling
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- Percentage of households reporting
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- Principal residence loans and other owner-occupied residence loans
- Private superannuation income
- Quasi -settlor
- Quintile
- Region
- Settlor
- Shares and other equity
- Trustee
- Unincorporated enterprises
- Valuables

 Aggregate

Type	Numeric (Integer)
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Description	Aggregate is the sum of all the values of a certain indicator. For example, total household assets is the sum of all household non-financial assets and household financial assets.
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Assets

Type	Numeric (Integer)
Description	Assets are something a person or household owns, such as property or investments.

Average (mean)

Type	Numeric (Integer)
Description	The average value – the mean is calculated by adding two or more figures and dividing the sum by the number of figures.

Bonds and other debt securities

Type	Numeric (Integer)
Description	Bonds and other debt securities is a certificate issued by a government or public company that promises to repay borrowed money at a fixed interest rate at a certain time. Examples are government saving bonds, corporate bonds, foreign bonds, and other non-saving bonds.

Business

Type	Numeric (Integer)
Description	<p>We consider respondents to be in business when they:</p> <ul style="list-style-type: none"> - start charging others for the goods/services they provide - supply goods/services on a regular basis - intend to make a profit from doing so. <p>We exclude businesses with shares on any stock exchange, or that are recorded in the investments module</p>

Capital value

Type	Numeric (Integer)
Description	Capital value is the probable price that would be paid for a property if it had been for sale at the date of the valuation. This is usually the property value shown on the last rates assessment notice from the local authority.

Consumer durables

Type	Numeric (Integer)
Description	These include vehicles such as cars, motor cycles, boats, and aircraft, and contents of the household's principal residence and other housing units (eg. kitchen and laundry appliances, furniture, computer and entertainment equipment, clothing, and other personal items, excluding valuables).

 Consumer durable loans

Type	Numeric (Integer)
Description	Consumer durable loans are loans for the purchase of consumer durables.

 Currency and deposits

Type	Numeric (Integer)
Description	Currency and deposits is money in an account with a bank, building society, or other financial institution, and cash over NZ\$ 1,000 in any currency not held in a bank.

 DEP-17 index

Type	Numeric (Integer)
Description	The DEP-17 index focuses on the low living standards end of the spectrum and is calculated based on questions about 'enforced lack of essentials', 'economised, cut back, or delayed purchases a lot', 'in arrears more than once in last 12 months', and 'financial stress and vulnerability'.

 Tenure

Type	Numeric (Integer)
Description	<p>Refers to the nature of the occupancy of a household in a private dwelling at the time of the survey. It does not refer to the tenure of the land on which the dwelling is situated.</p> <p>Tenure refers to the occupancy a household has in a private dwelling. It does not refer to the tenure of the land on which the dwelling is situated. The dwelling can be classified in two ways:</p> <ul style="list-style-type: none"> - Owned or partly owned: dwellings that are held (or not held) in a family trust, regardless of whether mortgage payments are made or not made for the dwelling. - Dwelling not owned: dwellings where the household does not own the dwelling, and either pays rent or lives there rent-free. - A private dwelling accommodates a person or a group of people. It is not generally available for public use. The main purpose of a private dwelling is as a place of habitation, and it is usually built (or converted) to function as a self-contained housing unit. - A non-private dwelling provides short- or long-term communal or transitory type accommodation. Non-private dwellings are generally available to the public through employment, study, special need, legal requirement, or recreation.

 Education loans

Type	Numeric (Integer)
Description	Education loans are loans to cover study expenses. Respondents reported a variety of student loans, including student loans from overseas and from sources other than Studylink.

 Equity

Type	Numeric (Integer)
Description	Equity is the value of an owner's interest in an asset after expenses are paid. For example, the owner of a \$200,000 house that has an \$80,000 loan on it, has equity of \$120,000 on that house.

 Ethnic group

Type	Text
Description	Whether the person is European, Māori, Pacific peoples, Asian, Middle Eastern, Latin American, and African (MELAA); or other ethnic group. Ethnic groups in the Household economic survey is derived using the total response method. As people are able to identify with more than one ethnic group, figures will not sum to the total population.

 Financial equity

Type	Numeric (Integer)
Description	Equity held in financial assets such as cash and stocks (shares) in corporations

 Highest qualification

Type	Text
Description	The highest-level qualification successfully completed by the person.

 Household

Type	Numeric (Integer)
Description	For survey purposes, a 'household' comprises a group of people who share a private dwelling and normally spend four or more nights a week in the household. They must share consumption of food or contribute some portion of income towards the provision of essentials for living as a group.

 Household composition

Type	Text
Description	The make up of the type of people living in the household such as couple with/without children, with dependent children, number of families in the household, one-person household

 Household crowding

Type	Numeric (Integer)
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Description	Household crowding measure using the Canadian national occupant standard (CNOS) adapted for a gender-based response: <ul style="list-style-type: none"> - there should be no more than two persons per bedroom - children less than five years may reasonably share a bedroom – irrespective of their gender - male, female, another - children five to 17 years may reasonably share a bedroom only with the same gender (male only with another male; female only with female and people of another gender only with someone else of another gender) - single adults 18 years and over and any unpaired children require a separate bedroom - household members 18 years or over should have a separate bedroom, as should parents or couples
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Household financial assets

Type	Numeric (Integer)
Description	These are intangible assets whose value comes from a contractual claim, such as currency and deposits, shares, and pension funds.

Household income

Type	Numeric (Integer)
Description	Household income is the sum of total personal income for all members in a household who are 15 years and over

Household non-financial assets

Type	Numeric (Integer)
Description	These are assets that are tangible with a physical value, such as real estate, consumer durables, and valuables.

Household size

Type	Text
Description	The number of people in the household.

Investment income

Type	Numeric (Integer)
Description	Net profit or loss received from investments. Investments captured in this collection are rent, rents from Māori land or other leased land, dividends from New Zealand companies, royalties, or interest from: banks, other financial institutions, bonds, stocks, money market funds, debentures, or securities.

Liability

Type	Numeric (Integer)
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Description	This refers to an obligation such as a debt, mortgage, or loan. The liability's holder is obliged, under specific circumstances, to provide a payment or series of payments to whomever they are liable to.
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Life insurance funds

Type	Numeric (Integer)
Description	Life insurance funds are policies where the household member could cash in their policy or withdraw funds. These are usually called endowment or 'whole of life' policies. We exclude insurance policies that are only paid out on the loss of life of the household member.

Market value

Type	Numeric (Integer)
Description	Market value of a property is the probable price the owner would get if they sold at any given date. It depends on market factors at that time.

Material wellbeing index

Type	Numeric (Integer)
Description	The material wellbeing index (MWI) covers the whole spectrum of material well-being and is based around questions on material wellbeing asked in the wellbeing module in each HES year.

Median

Type	Numeric (Integer)
Description	The point where half the population is above and half below the stated amount.

Mortgage payments

Type	Numeric (Integer)
Description	Consists of mortgage principal repayments, mortgage interest payments, and application and service fees for mortgages.

Mutual funds and other investment funds

Type	Numeric (Integer)
Description	These are collective investment instruments through which investors pool funds for investment in financial or non-financial assets. Examples are: mutual funds, hedge funds, unit trusts, income trusts, and other managed investment funds.

Net worth

Type	Numeric (Integer)
Description	Net worth is the value of a person or household's assets, minus their liabilities

 New Zealand Superannuation and war pensions

Type	Numeric (Integer)
Description	In addition to New Zealand Superannuation, this category includes the veterans, war disablement, and surviving spouse pensions.

 Non-financial equity

Type	Numeric (Integer)
Description	Equity held in non-financial assets such as dwellings

 Other equity

Type	Numeric (Integer)
Description	Includes financial shares held in a private company other than as common shares, debentures securities or Options

 Other household financial assets

Type	Numeric (Integer)
Description	These are miscellaneous financial assets, that include loans made to trusts, other households, and money in overseas bank accounts.

 Other investment loans

Type	Numeric (Integer)
Description	These are loans to pay for financial assets and valuables, and other investment loans not already collected in other liability categories.

 Other loans and liabilities

Type	Numeric (Integer)
Description	These are miscellaneous loans and liabilities. They include amounts outstanding on credit cards, bank account overdrafts, and other lines of credit, if not included elsewhere.

 Other real estate

Type	Numeric (Integer)
Description	This covers residential and non-residential buildings (other than owner-occupied dwellings) and land owned by household members. The real estate may be rented or leased to other parties, or it may be used exclusively by the household.

 Other real estate loans

Type	Numeric (Integer)
Description	These are loans for constructing, purchasing, or improving other real estate.

 Owner-occupied dwelling

Type	Numeric (Integer)
Description	Owner-occupied dwelling is the main dwelling or other type of housing unit occupied by household members on a regular basis. They include a city dwelling occupied by some household members during the working week, but exclude holiday dwellings used on an occasional basis. The residence may or may not have a mortgage or loan secured against it. The land on which the residence is located is included.

Pension funds

Type	Numeric (Integer)
Description	Pension funds include entitlements in both employment-related social insurance pension schemes and private pension schemes. Pension schemes are sometimes known as retirement plans or superannuation schemes. They may be defined-benefit schemes (where the formula for defining a member's pension is agreed in advance) or defined-contribution schemes, such as KiwiSaver (the amount of the pension depends on the performance of the assets acquired with the member's contributions).

Percentage of households reporting

Type	Numeric (Integer)
Description	Sum of the households reporting a type of expenditure or income, divided by the sum of the number of households in the population.

Percentile

Type	Numeric (Integer)
Description	Each of the 100 equal groups into which a population can be divided

Principal residence loans and other owner-occupied residence loans

Type	Numeric (Integer)
Description	These are loans for constructing, purchasing, or improving the household's owner-occupied residences. Examples are home mortgage loans, home equity lines of credit for home improvement, money borrowed for a deposit on a home purchase, and bridging finance taken out until a home loan is obtained. Questions on reverse mortgages were not included in the survey.

Private superannuation income

Type	Numeric (Integer)
Description	Private superannuation income includes income received from both job-related superannuation schemes and other private schemes but excludes income from NZ Superannuation.

Quasi -settlor

Type	Numeric (Integer)
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Description	Quasi-settlor is a person in a household who reported being both a trustee and a beneficiary of a trust.
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Quintile

Type	Numeric (Integer)
Description	Quintiles are formed by dividing the population into five equal groups, from lowest to highest. The bottom quintile (quintile 1) is the lowest 20 percent of the population, while the top quintile (quintile 5) is the highest 20 percent.

Region

Type	Text
Description	<p>The Household Expenditure Survey sample design has five broad regions. The Wellington and Canterbury regional council areas, the Auckland Council area, and the remaining regional council areas, which are grouped as:</p> <p>Rest of North Island: Northland, Waikato, Bay of Plenty, Gisborne, Hawke's Bay, Taranaki, and Manawatu-Wanganui</p> <p>Rest of South Island: Nelson, Marlborough, Tasman, West Coast, Otago, and Southland.</p> <p>With an expanded sample size of 20,000 households, HES sample design now provides data on 12 regions. These are: Northland, Auckland, Waikato, Bay of plenty, Gisborne and Hawke's Bay, Taranaki, Manawatu-Wanganui, Wellington, West coast- Tasman- Nelson – Marlborough, Canterbury, Otago, and Southland.</p>

Settlor

Type	Numeric (Integer)
Description	Settlor is a person who transfers or sells assets to a trust.

Shares and other equity

Type	Numeric (Integer)
Description	Shares and other equity includes shares in corporations, and equity held in a family trust.


Trustee

Type	Numeric (Integer)
Description	Trustee is a person responsible for managing trust assets.

Unincorporated enterprises

Type	Numeric (Integer)
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Description	Unincorporated enterprises are commercial enterprises not incorporated as a legal entity separate from the owner (household or individual); the fixed and other assets used in unincorporated enterprises do not belong to the enterprises but to their owners. They are usually sole proprietor or partnership companies, for example a self-employed plumber.
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 Valuables

Type	Numeric (Integer)
Description	Valuables are goods whose role is as a store of value. Examples are: precious stones and metals, fine jewellery, works of art, antiques, and stamp and coin collections.

Data Collections

Household net worth data collection

#####Description

Information on New Zealanders' wealth (assets and liabilities) provided in this release is based on data collected as part of the HES (Savings) 2017/18. The survey was carried out from 01 July 2017 to 30 June 2018.

#####Recall period

Recall period in the survey varies from latest payment made/income received, to payments made/income received in the last 12 months. As the survey was carried out continuously from 1 July 2017 to 30 June 2018, different households had different recall periods. Thus, households interviewed on 1 July 2017 had a recall period from 1 July 2016 to 30 June 2017 while households interviewed on 30 June 2018 had recall period from 01 July 2017 to 30 June 2018.

Response rate for HES 2017/18

The sample size for HES 2017/18 was approximately 8,000 households. The achieved sample rate was 68.6 percent and our response rate was 76.3 percent.

Achieved sample rate compared with the response rate

The achieved sample rate is calculated as the number of eligible households that responded divided by the total number of dwellings sampled. Essentially, it tells you what percentage of the sample responded to the survey. Expressing the achieved sample as a rate controls for population growth.

		Eligible responding
Achieved Sample = Rate	=	_____
		Ineligible + eligible responding + eligible non-responding

The response rate is calculated as the number of eligible households that responded to the survey as a proportion of the estimated number of total eligible households in the sample.

		Eligible responding
Response rate	=	
		Eligible responding + eligible non-responding

The achieved sample rate differs from the response rate because it includes the ineligible dwellings in the denominator. This difference means that the response rate is particularly sensitive to the classification of household eligibility. As a result, the achieved sample rate is more stable over time than the response rate. We reached a response rate of 76.3 percent (post-imputation). While response rates have been declining over time, the impact of any bias arising from this is minimised by non-response adjustment and the calibration to population benchmarks.

Imputation for HES 2017/18

Imputation in HES replaces missing values with actual values from similar respondents. The table below shows the effect of imputation for the 2017/18 survey.

As a result of recovering and imputing records, the response rate for the year ended 30 June 2018 improved from 73.4 percent to 76.3 percent.

In addition to imputation carried out to replace missing values for the HES variables, we also imputed values for assets and liabilities. There are three situations where we imputed for assets and liabilities:

- For non-trust and non-business asset and liability records where a value is not provided, we replace only that value with a value from a selected donor.
-

For trust and business records where a value is not provided for any asset or liability of the trust or business, we replace all the asset and liability records for that trust or business with those from a selected donor.

We impute income questionnaires for household members of eligible responding households that do not fully complete their income questionnaire. The asset and liability records for these people are replaced with the records of the donor used for income imputation.

Imputation is done at the individual level, which may cause inconsistencies at the household level. For example, ownership of a property may appear to add up to more than 100 percent.

Sampling errors

We calculate sampling errors using the jackknife method. It is based on the variation between estimates of different subsamples taken from the whole sample.

While sampling errors by asset and liability type for HES 2014/15 and HES 2017/18 is shown in the tables accompanying the main release, the tables below summarise the sampling errors for average annual household income and average weekly household expenditure by expenditure type.

Customers should take care when interpreting estimates with sampling errors greater than 20 percent – they are statistically less reliable than estimates with sampling errors less than or equal to 20 percent.

Sampling errors for average annual household income, by income source (for households receiving that source of income)
Years ended 30 June, 2015 and 2018
Income source
Wages and salaries
Self- employment
Investments
Private superannuation
New Zealand Superannuation and war pensions
Other government benefits
Other sources
Total regular income

Sampling errors for average weekly household expenditure, by housing cost type (for households with that type of expenditure)
Years ended 30 June, 2015 and 2018
Expenditure item
Property and ground rent
Other payments connected with renting
Total rent payments
Mortgage principal repayments
Mortgage interest payments
Application and service fees for mortgages
Total mortgage payments
Property rates
Building related insurance
Other housing costs
Total housing costs

Age Standardisation

To mitigate the effects of the Māori and Pacific population having a much younger age structure than the total New Zealand population, we have adjusted for age through age standardisation. Without age standardisation, median and mean figures for the variable of interest (eg net worth) by age-group, can potentially be distorted. Age standardisation is a commonly applied technique to control such distortions; it allows more meaningful comparisons between the sub-populations.

We standardise age by re-scaling the underlying weights of the unit record data for each ethnic group – to reflect a 'standard' age distribution. We use the age distribution for the overall population of the net worth sample.

Caveats**##### Property**

There are occasions where respondents mentioned they have other property, but it is scoped out of the HES part of the questionnaire because it is for business purposes. Sometimes the respondent then did not mention it in the property, business, or trust sections (where we expected they would). This may have resulted in under-reporting of the value of property assets.

Bank accounts

In 2014/15 many respondents did not see bank accounts as investments. As a result, the number and value of assets held in bank accounts were undervalued. To improve this, in 2017/18 bank accounts were asked about separately from other investments and details of many more bank accounts were collected. However, quite a few bank accounts with low values were still collected.

Superannuation

We found some respondents said they received superannuation contributions from their employer but did not then give details of a superannuation scheme. This may have led to under-reporting of superannuation schemes.

Life insurance

Although the questionnaire asked for the value of life insurance (the value if cashed in today) many respondents gave the value that the life insurance would pay out when the insured person died. For the most obvious cases, the life insurance record was removed.

Businesses

We suspect some respondents did not report all the businesses they owned – whether they had sole ownership, or were in partnership with others. For example there are occasions where if one person in the household mentioned a business their partner may have felt they did not need to mention it. This has potentially led to under-reporting of business assets. It is suspected that debt in businesses has been under-reported because some respondents may have included the debt in the market value. Some partners living together in a household responded that they both owned all of a business. Where this was identified and could be verified it was corrected.

Family trusts

We only asked the questions on the assets and liabilities of trusts of settlors or quasi settlors (a person in the household who reported being both a trustee and beneficiary of the trust). We did this because those who were only a beneficiary, or only a trustee, were less likely to know about the contents of the trust. Some respondents were unsure of their relationship to the trust, which may have led to fewer respondents identifying as a settlor or quasi settlor, and therefore an under-reporting of trust wealth.

Limits on collected values

To reduce respondent burden, respondents were not asked to provide the value of smaller-value items. This

may have resulted in some under-reporting. All assets and liability values we collected had no minimum value unless mentioned in the table below.

#####Oversampling

We made no attempt to oversample high income/wealth households, due to the practical difficulties associated with identifying this sub-population and collecting from them.

#####Interpreting the data

Customers need to consider the following when interpreting data from this survey.

- A household's expenditure or income can be influenced by household size, household composition, geographic location, and employment-related factors.

-

All income figures refer to gross (before tax) income, and housing-cost expenditure includes GST, where it applies.

-

The five broad regions reported are based on the regional council areas of Wellington and Canterbury, and the Auckland Council area. Regions also include the combined 'Rest of the North Island', and 'Rest of the South Island'. This level of geographical breakdown is the lowest available for HES, due to the sample design.

-

Where a trust exists that owns assets (or owes liabilities) the entirety of the trust's share of the assets and liabilities were allocated to settlors and quasi-settlors of the trust in the household. Each individual received an equal share of the trust assets/liabilities.

-

Where a household (or individual) has equity (assets minus liabilities) held in a trust, the net value of all these (the value of all assets less the value of all liabilities) is recorded as a single entry – as a financial asset in the 'Shares and other equity' component. Note: this net equity value can be negative (where the value of the trust liabilities exceeds the value of the trust assets).

-

The median and mean values used in this release are for individuals/households who had the specific asset or liability. For example, the median value of owner-occupied dwellings is the median value for those who have an owner-occupied dwelling, not the median value for everyone (whether they have an owner-occupied dwelling or not). Table 1.03 and 1.04 in the Excel tables of the release shows differences between the means for those with the specific asset/liability and the means for the total population.

Methodology

The target population for HES is the usually resident population of New Zealand living in private dwellings, aged 15 years and over (15+). This population does not include:

- overseas visitors who expect to be resident in New Zealand for less than 12 months
- people living in non-private dwellings (eg hotels, motels, boarding houses, hostels, and homes for the elderly)
- patients in hospitals, or residents of psychiatric or penal institutions
- members of the permanent armed forces in group living facilities (eg barracks)
- people living on offshore islands (excluding Waiheke Island)
- members of the non-New Zealand armed forces

- non-New Zealand diplomats and their families.

Children at boarding schools are also not surveyed, but housing costs on behalf of those children are included in the record-keeping of the parent or guardian. The survey population is therefore marginally different from the target population.

For survey purposes, a 'household' comprises a group of people who share a private dwelling and normally spend four or more nights a week in the household. They must share consumption of food or contribute some portion of income towards the provision of essentials for living as a group.

HES components

As in HES (income), HES (savings) has four survey components:

- a household questionnaire
- an housing expenditure questionnaire
- an income questionnaire for each household member aged 15+
- a material well-being questionnaire for one member per household who is aged 18+ (chosen randomly).

The HES (savings) survey, besides collecting information from sampled New Zealand households on the above topics, also collects information on New Zealanders' savings, assets, and liabilities.

Topics covered in the survey to collect data on wealth include:

Household net worth = (what you own) LESS (what you owe)
Assets (what you own)
Real estate Owner-occupied residences Other residential and non-residential property
Other physical assets Consumer durables Valuables

Household net worth = (what you own) LESS (what you owe)
Assets (what you own)
Financial assets Currency and deposits Investments (eg shares, mutual funds) Net equity in unincorporated businesses Net equity in trusts Pension funds (superannuation funds)
Total Assets

We ask questions on assets and liabilities within existing HES modules in the income and expenditure questionnaires, or collect the information as separate sets of questions (modules) at the end of the income questionnaire.

Topics related to net worth covered within existing HES modules include:

- principal residence [housing costs]
- other non-investment properties [other property]
- mortgages for principal residence and non-investment properties [mortgages and loans]
- superannuation schemes [private superannuation]
- New Zealand financial assets [investments]
- New Zealand investment property assets and liabilities [investments]
- overseas property and financial assets [overseas income].

Topics covered in separate modules include::

- life insurance
- equity in businesses
- motor vehicles, collectibles, and cash assets
- household durables
- trusts
- non-property debt.

Reliability of survey estimates

Two types of errors are possible in estimates based on a sample survey – sampling error and non-sampling error.

#####Sampling error:

Sampling error is a measure of the variability that occurs by chance because a sample rather than an entire population is surveyed.

We calculate sampling errors using the jackknife method. It is based on the variation between estimates of different subsamples taken from the whole sample.

Given a certain sample size, the level of sampling error for any given estimate depends on the number of sampled households/individuals in the category of interest and the variability of the estimate due to the random nature of the sample selection.

As the size of the sampled group decreases, the relative sampling errors (RSEs – sample error as a percentage of the estimate) will generally increase. For example, the estimated average annual household income from self-employment would have a larger RSE than the estimated average annual household income for households receiving income from wages and salaries.

In the tables accompanying the Household net worth statistics, only income or expenditure estimates with RSEs less than or equal to 20 percent are considered sufficiently reliable for most purposes. Although estimates with RSEs over 21 percent are also included, these should be used with caution. Estimates with RSEs over 100 though also provided, these are not deemed very useful.

#####Non-sampling errors:

Non-sampling errors arise from biases in the patterns of response and non-response, questionnaire design, inaccuracies in reporting by respondents, and errors in recording and coding data. We endeavour to minimise the impact of these errors by applying best-practice survey methods and monitoring known indicators (eg non-response).

#####Proxy

A proxy may provide information in 'family type' households where:

- the whole household is informed about the survey. All agree to participate, but are not able to be present when the questionnaires are administered
- children are away at boarding school
- people don't work and have no source of income
- people are elderly, sick, or mentally incapacitated.

In all proxy interviews, the interviewer must be convinced the proxy is totally familiar with the other respondent's information.

#####Population weighting adjustments

The population weighting process takes account of under-coverage in the survey for specific population groups, such as young males and Māori.

Weighting plays a vital role in estimation. We give each unit in the sample a weight that indicates the number of people it represents in the final population estimate. Weighting ensures that estimates reflect the sample design, adjusts for non-response, and aligns estimates with the current population estimates. For household surveys, deriving the weight is a multi-phase process.

The first stage of weighting involves calculating a unit's initial weight. The initial weight depends on the sample design and equals the inverse of the selection probability.

The second stage involves adjusting the initial weights to account for unit non-response. This refers to a household without information, or where the amount of information provided (and/or quality of) is insufficient to be a response. The initial weight of a non-responding unit is reduced to zero, while initial weights of responding units are scaled up – by combining factors within the estimation group (eg region, ethnic densities, urban/rural, and interview quarter).

The final stage in the weighting process is integrated weighting. This process ensures we give all eligible responding individuals within a household the same weight so we can produce household statistics. Integrated weighting also aligns estimates with externally sourced population individual and household benchmarks, and adjusts for under-count of specific sub-population groups (eg young males and Māori).

The population used for the integrated weighting was benchmarked to estimates based on the 2013 Census.

#####HES benchmarks

The person benchmarks used for HES are: regional population estimates; children sub-population estimates by three age groups; adult sub-population estimates by sex and 13 age groups (including 75 years and over); and adult Māori sub-population estimates by two age groups (including 30 years and over).

The household benchmarks are two categories of household composition (two-adult households and non-two-adult households), and these categories split further by regions.

Population estimates are based on the 2013 Census.

#####Consistency with other periods

Although we adjust survey results for various demographic variables (age, sex, and region), there can be variability in survey estimates from one survey collection period to the next. This variability is because a different group of households is selected for each survey.

#####Using material well-being data

The material well-being questionnaire asks about ownership of particular items, or doing certain activities, and the extent that people economise. We also ask respondents how they rate their life satisfaction and whether income meets everyday needs.

From the material well-being questionnaire we publish selected results for satisfaction levels, and for adequacy of income to meet everyday needs. Stats NZ does not produce an index measurement of material well-being from this data. Other agencies can use such index data in conjunction with other measures (eg income, expenditure on housing costs, or household demographics), to give an indication of the material standard of living of New Zealanders.

#####Suppressed estimates

We suppress estimates in this release if based on fewer than five people or households for total or mean values, or fewer than 10 people or households for median values. Publishing would be a risk to respondents' confidentiality.

Data is no longer suppressed if a relative sample error is 51 percent or higher (21 percent for cross-tabulated data).

Previous surveys with net worth data

Prior to the current net worth statistics, Stats NZ had collected and published data titled [Household Net Worth Statistics: Year ended June 2015](#). This was based on data collected through the Household Economic Survey (HES): 2014/15. As net worth feeds into vital economic measures for the country, such as the Reserve Bank's household balance sheet, we consider it important that HES net worth data is accurate and reflects the real net worth patterns and income of households. Towards this objective, and to improve respondents' experience, we redesigned the net worth related questions in HES 2017/18 compared with the questions used in HES 2014/15.

We advise data users to read [Improving net worth statistics](#) for details on what changes have been made between the current Household net worth statistics: Year ended June 2018 and Household Net Worth Statistics: Year ended June 2015 and how these changes would affect our data users.

Before the HES 2014/15, we had two surveys that measured net worth – the Household Savings Survey (HSS), and the Survey of Family, Income and Employment (SoFIE).

- The HSS was the first household survey to measure household net worth in New Zealand. The HSS ran in 2001 as a one-off stand-alone survey. It collected information from individuals or couples within a household who were aged 18 years and over. We surveyed approximately 6,600 households in the core sample, and an additional 6,600 were approached and screened for inclusion in the Māori booster sample. The HSS provided statistics on the level, value, composition, and distribution of assets, liabilities, and net worth.

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Survey of Family, Income and Employment (SoFIE) first went into the field in October 2002. It was a longitudinal survey that ran for eight years, with the same respondents being revisited yearly to build a picture of how their circumstances changed over time. SoFIE's sample in the first year of data collection was 15,000 households, but as the years went on, the sample size decreased. Questions relating to respondents assets and liabilities were included in every second wave of the 8 wave survey.

Before attempting to make any time series comparison between our household net worth statistics as derived using data from HES, HSS and SoFIE, we advise users to read the document [Sources of household net worth statistics](#).

Methodology

Previous Surveys with net worth data

The comparison of household net worth statistics

Besides the household net worth statistics released by Stats NZ, data on household net worth is also released by the Reserve Bank of New Zealand (RBNZ) in its [Household balance sheet](#) as well as by Statistics' New Zealand in its [Annual balance sheets](#).

We advise data users to read the paper [Comparison of household net worth statistics](#) which describes and discusses the methodological and conceptual differences between three sources of household net worth statistics.

Instruments



Household Economic Survey flowchart - Savings 2017/18

- [Household Economic Survey flowchart - Material well-being 2017/18](#)
- [Household Economic Survey flowchart - Expenditure 2017/18](#)
- [Household Economic Survey flowchart - Income 2017/18](#)
- [Household Economic Survey flowchart - Household 2017/18](#)

 Household Economic Survey flowchart - Material well-being 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/794/rec/4>

 Household Economic Survey flowchart - Expenditure 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/760>

 Household Economic Survey flowchart - Income 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/761/rec/3>

 Household Economic Survey flowchart - Household 2017/18

Instrument Locations

- <http://cdm20045.contentdm.oclc.org/digital/collection/p20045coll2/id/799/rec/2>