



Household net worth statistics

Table of Contents

Household net worth statistics	3
Abstract	3
Purpose	3
Variables	3
Household net worth statistics (Published)	3
Concepts	5
Household net worth statistics Concepts	5

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).

Variables

Household net worth statistics (Published)

Name	Range
Aggregate	Numeric
Assets	Numeric
Average (mean)	Numeric
Bonds and other debt securities	Numeric

Name	Range
Business	Numeric
Capital value	Numeric
Consumer durables	Numeric
Consumer durable loans	Numeric
Currency and deposits	Numeric
DEP-17 index	Numeric
Tenure	Numeric
Education loans	Numeric
Equity	Numeric
Ethnic group	Text
Financial equity	Numeric
Highest qualification	Text
Household	Numeric
Household composition	Text
Household crowding	Numeric
Household financial assets	Numeric
Household income	Numeric
Household non-financial assets	Numeric
Household size	Text
Investment income	Numeric
Liability	Numeric
Life insurance funds	Numeric
Market value	Numeric
Material wellbeing index	Numeric
Median	Numeric
Mortgage payments	Numeric
Mutual funds and other investment funds	Numeric
Net worth	Numeric
New Zealand Superannuation and war pensions	Numeric
Non-financial equity	Numeric
Other equity	Numeric
Other household financial assets	Numeric
Other investment loans	Numeric
Other loans and liabilities	Numeric
Other real estate	Numeric
Other real estate loans	Numeric
Owner-occupied dwelling	Numeric
Pension funds	Numeric
Percentage of households reporting	Numeric
Percentile	Numeric

Name	Range
Principal residence loans and other owner-occupied residence loans	Numeric
Private superannuation income	Numeric
Quasi -settlor	Numeric
Quintile	Numeric
Region	Text
Settlor	Numeric
Shares and other equity	Numeric
Trustee	Numeric
Unincorporated enterprises	Numeric
Valuables	Numeric

Concepts

Household net worth statistics Concepts

Name	Description
Actual rents	<p>Actual rents</p> <p>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.</p>
Age standardisation	<p>Age standardisation</p> <p>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.</p>
Aggregate	<p>Aggregate</p> <p>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.</p>
Assets	<p>Assets</p> <p>Assets are something a person or household owns, such as property or investments.</p>
Average (mean)	<p>Average (mean)</p> <p>The average value – the mean is calculated by adding two or more figures and dividing the sum by the number of figures.</p>
Average weekly household expenditure	<p>Average weekly household expenditure</p> <p>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.</p>
Bonds and other debt securities	<p>Bonds and other debt securities</p> <p>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.</p>
Building-related insurance	<p>Building-related insurance</p> <p>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.</p>

Business	<p>Business 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	<p>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.</p>
Consumer durables	<p>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).</p>
Consumer durable loans	<p>Consumer durable loans Consumer durable loans are loans for the purchase of consumer durables.</p>
Currency and deposits	<p>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.</p>
Dwelling ownership	<p>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.</p> <p>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.
Education loans	<p>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.</p>
Equity	<p>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.</p>
Household	<p>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).</p>
Household financial assets	<p>Household financial assets These are intangible assets whose value comes from a contractual claim, such as currency and deposits, shares, and pension funds.</p>
Household non-financial assets	<p>Household non-financial assets These are assets that are tangible with a physical value, such as real estate, consumer durables, and valuables.</p>

Imputation	Imputation Imputation replaces missing values with actual values from similar respondents. See Imputation in data quality for more information.
Investment income	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	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	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 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 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 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	Mortgage payments Consists of mortgage principal repayments, mortgage interest payments, and application and service fees for mortgages.
Mutual funds and other investment funds	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 Net worth is the value of a person or household's assets, minus their liabilities
Other household financial assets	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	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	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	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 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	Other sources of regular and recurring income Includes income received from trusts, annuities, alimony, educational scholarships, and income protection insurance.

Owner-occupied dwelling	<p>Owner-occupied dwelling</p> <p>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.</p>
Pension funds	<p>Pension funds</p> <p>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).</p>
Principal residence loans and other owner-occupied residence loans	<p>Principal residence loans and other owner-occupied residence loans</p> <p>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.</p>
Private superannuation income	<p>Private superannuation income</p> <p>Includes income received from both job-related superannuation schemes and other private schemes.</p>
Quasi -settlor	<p>Quasi -settlor</p> <p>Quasi-settlor is a person in a household who reported being both a trustee and a beneficiary of a trust.</p>
Quintiles	<p>Quintiles</p> <p>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.</p>
Region	<p>Region</p> <p>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:</p> <ul style="list-style-type: none"> - 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	<p>Sampling weights</p> <p>Sampling weights are the number of units in the population represented by the sample member.</p>
Self-employment income	<p>Self-employment income</p> <p>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').</p>
Settlor	<p>Settlor</p> <p>Settlor is a person who transfers or sells assets to a trust.</p>
Shares and other equity	<p>Shares and other equity</p> <p>Shares and other equity includes shares in corporations, and equity held in a family trust.</p>
Statistical significance	<p>Statistical significance</p> <p>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.</p>

Total housing costs	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 Trustee is a person responsible for managing trust assets.
Unincorporated enterprises	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 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	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.