

# Salvation Army “State of the Nation” report

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The Salvation Army “State of the Nation” report suggests a number of contradictory indicators at work in New Zealand’s wellbeing. This report published in 2016 provides information and some rationale for the selected indicators. In particular, while average weekly wages have increased inequality is also rising. This demonstrates the dangers of using averages without acknowledging that 50% of wage earners are below the average. Economists recognise that inequality is driven by those who own assets (property, shares and capital) and use those assets to increase their income, compared to those who only sell their labour for wages. With no government intervention, over time the gap between rich and poor steadily expands.

Some positive indicators are:

**Teen pregnancy** has halved from 2008 (6% of all teenaged women) to present rate of 3%.

**Infant mortality** also keeps falling and is now only 0.41 % of all babies born.

Other good news was that money spent on **gambling** was down, unemployment levels came down slightly to 5.7%, and the percentage of children attending **pre-school** had risen to 92.5%

The report showed some contradictory data (positives and negatives) for a number of indicators:

**Crime rates** for such crimes as victims of crime (theft and violence) and burglaries & car theft are dramatically down. However, at the same time imprisonment is increasing and reoffending of released prisoners has also increased. Our prisons are fuller than ever.

**The Ministry of Social Development** states that benefit-dependent families has reduced from 30% of all children to 17%. However, children within families earning below 60% of the median household income have risen to 30% of all children.

While **average weekly wages** have risen (1.5% increase last year), relative child poverty also rose (as noted above).

Negative news includes:

**Housing prices** in Auckland have risen dramatically (up 26% in the past year). **Rents** have also increased by around 6% in the past year.

**Household debt** has also risen and now stands at 152% of the average household after tax income. Around 90% of this debt is housing related.

**Auckland’s housing shortage** worsened by a further 2000 homes.

**Food parcels** handed out by the Salvation Army remained the similar to the previous year at 55,000.

**Child abuse** notifications to CYF remained the same as the previous year at 151,000.

In spite of an active economy, there is inadequate government activity in areas of improving the supply of affordable housing, reducing imprisonment rates and reducing child poverty. Government needs to apply the same energy in dealing with these problems as it put into selecting a new flag. While we continue to ignore inequality as a key policy issue the key indicators of well-being will not improve.