

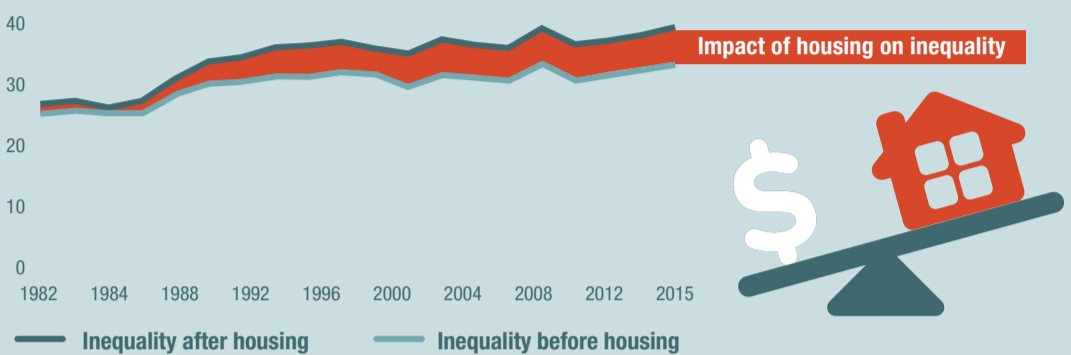
# Housing crisis a root of inequality

Income inequality is broadly unchanged over the past 20 years. Consumption inequality has fallen back to early 1980s levels. But housing costs are a big issue.

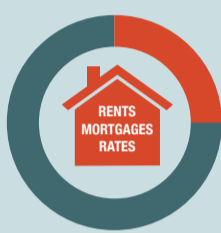


Rising house prices have made homeowners richer while those in poorer socioeconomic groups are having to pay an increasing share of their income on housing.

## Impact of housing on inequality in New Zealand



## Higher housing costs hit those on lowest incomes hardest



Housing costs eat up 20% of income for working-age households. In the mid-1980s, it was only 14%. But for the poorest fifth, housing costs rose from 29% of income to 49%

# Are the rich getting richer at the expense of the poor?

Inequality does not always mean the rich are getting richer and the poor are getting poorer

A population's total wealth or income is not a fixed pie where the richer person's gain must always be at the expense of a poorer person.



## Real disposable income growth for New Zealand households



Income growth has been widely shared. But housing costs can make families feel like they are standing still

Source: Bryan Perry, "Household Incomes in New Zealand: Trends in Indicators of Inequality and Hardship 1982 to 2015" (Wellington: Ministry of Social Development, 2016), 88.

# How does New Zealand compare to other nations?



New Zealand's disposable income inequality is similar to other OECD countries.



Footnote: graph taken from Gini coefficient figures for OECD countries in 2013. Graph shows Gini coefficient for income after tax and benefits. Gini coefficient is the most common measure for the income inequality internationally.

## Find out more...

Take our inequality quiz and read the full report here

[www.nzinitiative.org.nz](http://www.nzinitiative.org.nz)