

## WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE INDEX

MARCH 2014

### BACKGROUND

The Westpac: McDermott Miller Employment Confidence Index is calculated from a specific section of the Westpac: McDermott Miller Consumer Confidence Survey. This survey is carried out under joint sponsorship by Westpac and consulting firm McDermott Miller on a quarterly basis. The questions on which the Employment Confidence Index is based were added initially to the Survey in June 2004.

### EMPLOYMENT CONFIDENCE INDEX

The five Employment Confidence Index questions are:

1. *Do you think jobs are plentiful or hard to get?*
2. *Do you think job opportunities in New Zealand in a year's time compared to now will be more plentiful, harder to get or about the same?*
3. *Do you earn more, less, or the same in your paid work now compared to this time last year?*
4. *Do you expect to be earning more, less or the same in your paid work this time next year?*
5. *Would you say your job is likely to be more or less secure over the coming year than now?*

The first two questions are asked of all respondents (1594), the remainder to those declaring they are in paid work (937 or **58.7%** of respondents).

The **Employment Confidence Index** is calculated by McDermott Miller from percentage responses to the five questions. It is 100 plus the unweighted average of the difference between positive/optimistic responses and negative/pessimistic responses. A score above 100 shows more optimism than pessimism and vice versa for a score below 100. The **Current Employment Conditions Index** is calculated similarly by McDermott Miller from the questions on perception of current job opportunities and change in personal earnings over the last year. The **Employment Expectations Index** is calculated from the questions on expectations of change over the coming year in: job opportunities, personal earnings and job security.

### SURVEY SPECIFICATIONS OF MARCH 2014 EMPLOYMENT CONFIDENCE SURVEY

The **Sample Universe** is all households in permanent private dwellings in New Zealand. A **Sample Size** of 1594 interviews in March 2014 was obtained following a 43% response rate. Survey interviews were conducted during 1 – 10 March 2014, between the hours of 5.30 pm and 9.00 pm weekdays, 12.30 pm and 7.30 pm Saturday and Sunday.

The **Margin for error** for the questions used for the Employment Confidence survey is a maximum of plus or minus 2.5% at 95% confidence

The **Sampling Technique** employed is stratified by Regional Council region, with randomised quotas within regions based on local telephone directories. Respondent's towns of residence are recorded, allowing analysis by a three-way split: **Metropolitan Centres** (Auckland, Wellington, and Christchurch) **Secondary Centres** (ranging in size from Timaru up to Hamilton and Dunedin), or **Rural** (the remainder).

The **Data Collection Methodology** is computer aided telephone interviews. The Survey is conducted by McDermott Miller. **Respondent Recruitment** selects the household member over 18 years whose birthday falls next. Up to three call-backs are mandatory where the target respondent is not available. No incentives are offered. **Quality Control** is assured by close management of field administrators and interviewers by a Senior Consultant. All telephone numbers and response codes are recorded by each interviewer and random auditing of respondents is carried out.

### ACKNOWLEDGEMENT

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