

## WESTPAC : McDERMOTT MILLER EMPLOYMENT CONFIDENCE SURVEY

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“Concerns over the knock-on effects of reduced dairy pay-outs has impacted on employment confidence in New Zealand. The Westpac: McDermott Miller Employment Confidence Index slipped a further 3.5 index points in the September 2015 Quarter” announced John McDougall, Director Forecasting in McDermott Miller. “It now stands at 99.3 on our Employment Confidence Index and is in pessimistic territory for the first time since December 2012.

“The confidence of employees working in the Private Sector is now at the marginally pessimistic level of 99.9, down 7.5 points from its June level. The last time Private Sector employees were pessimistic was more than six years ago, in June 2008, in the aftermath of the 2008 Global Financial Crisis”, John McDougall observed.

“There has been a shift in the pessimistic direction in Private Sector employee’s responses to all constituent questions of the Employment Confidence Index. The largest shift is in the net percentage perceiving jobs being hard to get, rising from 19% in June to 27% in September. Further, the net percentage of Private Sector employees who expect their earnings to rise over the next year is only 22%, the lowest since March 2009 and the second lowest since records began (in March 2006).

“In contrast, there was a modest lift in the employment confidence of Public Sector employees – up 2.1 points to 98.2. This rise is caused by a increase in the net percentage perceiving their earnings now to be higher than they were a year ago (27%, compare to 17% in June)”, John McDougall noted.

“Private Sector and Public Sector consumers give different reasons for their pessimism about the short-term economic outlook. Private Sector employees cite ‘low dairy prices’ (40%) as the reason for their gloominess about New Zealand’s immediate economic prospects. Public Sector employees are more inclined to blame ‘ineffective government economic policies’ (31%, compared to 18% of Private Sector Employees).”

“Private Sector employees’ confidence has taken a knock in confidence over concerns of the impact the reduced dairy payouts will have on the wider economy. In contrast, Public Sector employees seem relatively impervious to such concerns and tend to credit or blame the government economic policy for fluctuations in the New Zealand’s economic fortunes.”, observed John McDougall.

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### Index Background

The Consumer Confidence Index is based on a survey of a representative sample of 1550 New Zealand households interviewed during 1-11 September 2015. It analyses answers to five standard questions on personal financial circumstances, expectations for the economy and attitude to buying substantial household items. Index scores measure consumer confidence in the economy, with a score of greater than 100 showing more optimism than pessimism and vice versa for a score below 100 (for more information see [Survey Specifications](#)).

### Acknowledgement

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