Unemployment rates by qualification level

Large fall in unemployment rate for people with higher-level qualifications

The unemployment rate fell substantially in 2017 for people with higher-level qualifications. The rate was 2.4 percent in 2017 for those with a bachelors degree or postgraduate qualification, down from 2.9 percent in 2016. For people with no qualification, the unemployment rate was more than three times larger, at 8.4 percent.

Indicator description

The unemployment rate is defined as the number of unemployed people expressed as a percentage of the labour force. During periods of recession, an economy may experience a relatively high unemployment rate.

Large fall in unemployment rate for people with higher-level qualifications

From 2016 to 2017, the unemployment rate for people with a bachelors or postgraduate qualification fell from 2.9 percent to 2.4 percent. See Figure 1.

The unemployment rate for people with higher-level qualifications has now returned to the lower levels of the mid-2000s. At that time, it was just over 2 percent. The rate for this group reached a high point in 2010, of 3.7 percent, while it was as low as 2.2 percent in 2005.

The unemployment rate for people with a level 4 to 6 diploma or certificate did not alter greatly from 2016 to 2017. It was 3.5 percent in 2017. This compares to 5.4 percent in 2012. Ten years earlier, the unemployment rate for people with a level 4 to 6 diploma tracked more closely to that for people with a bachelors or postgraduate qualification. See Figure 1.

The unemployment rate for people with no qualification¹ was 8.4 percent in 2017. It has been close to this level since 2014.

¹ This group includes people who have studied but not completed a qualification. It also includes people who are currently studying.
The unemployment rate for people with only a school qualification decreased substantially from 6.6 percent in 2016 to 6.1 percent in 2017. See Figure 1.

Figure 1: Unemployment rates of the population aged 15 years and over by qualification level

Men continue to have lower unemployment rates than women

Men continue to have lower unemployment rates than women. In 2017, the overall unemployment rate was 4.2 percent for men and 5.2 percent for women.

For level 4 to 6 diplomas and certificates, men continue to have much lower unemployment rates than women. In 2017, the rate was 2.6 percent for men and 5.6 percent for women.

The difference in the employment rates between men and women with a bachelors or higher qualification has become very narrow. They were almost the same in 2017.

The overall unemployment rates for men and women aged 15 years and over are shown in Figure 2.
Largest fall in unemployment rate for Māori

The unemployment rate for Māori dropped from 11.4 percent in 2016 to 10.1 percent in 2017. However, the absolute difference between Europeans and Māori remains substantial. In 2007, the rate for Māori was 5.2 percentage points higher than for Europeans. The difference increased each year until 2012 when it was 8.9 percentage points. Since then, it has decreased each year and there is now a difference in favour of Europeans of 6.5 percentage points. See Figure 3.

The pattern for Pacific peoples is similar to that for Māori. In 2017, the unemployment rate for Pacific peoples was 9.6 percent. It was 9.7 percent in 2016, down from a high point of 16 percent in 2012.

The unemployment rate for Europeans decreased from 3.9 percent in 2016 to 3.6 percent in 2017. This compares to a high point of 5.4 percent in 2012.
Differences in the unemployment rates by ethnic group are narrower for people with higher-level qualifications. However, breaking down the unemployment rates by qualification level creates substantial variability in these rates by ethnic group. Consequently, they are best viewed as providing longer-term trends for smaller groups. The unemployment rates for the three quarters to September 2018 continued to fall for all ethnic groups.

Māori, had the largest drop in the unemployment rate for people with a bachelors or postgraduate qualification. That is, 4.2 percent in 2016, compared to 2.9 percent in 2017.

The unemployment rate of Europeans with a bachelors or postgraduate qualification was 1.8 percent in 2017. This compared to 6.7 percent for Pasifika. See Figure 4.
People aged 35 years and over have the lowest unemployment rates

For people aged 35 years and over, the unemployment rates have been slowly falling since 2012. The various rates for people in this age group were close to 3 percent in 2017. See Figure 5.

Unemployment rates for people aged 20 to 24 years are considerably higher than for those aged 35 years and over. In 2017, 8.7 percent of 20 to 24 year olds were unemployed. In 2012, the rate for this age group was 13 percent.

As expected, people aged 15 to 19 years had the highest unemployment rate. In 2017, the rate was 20 percent. It has been at this level since 2014. Earlier, in 2012, the rate was as high as 26 percent. More recently, in the September 2018 quarter, the unemployment rate for this age group dropped to 15 percent.
Figure 5: Unemployment rates of the population aged 15 years and over by age group

Where to find out more

Unemployment and income are interrelated. To obtain more information on income and education consider the following indicator:

- Earnings premiums by qualification level.
- Median earnings by qualification level

References