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Westpac New Zealand Sharing the Load Report

May 2021

Contents

Executive Summary

Sharing the load at home more equally would improve wellbeing and deliver a $1.5 billion economic benefit.

The spread of COVID-19 in New Zealand in early 2020 pushed the country into the unchartered territory of a nationwide Level 4 lockdown. With many New Zealanders working from home, and childcare centres and schools closed, the way households share the load at home (i.e. how they divide housework and care responsibilities) was thrust into the spotlight.

A year on from the initial lockdown, we have a real opportunity to reflect on the decisions we make around the amount of paid and unpaid work we do, and who does it. In addition to the implications for family life and gender equality, these decisions have a significant impact on New Zealand's economy.

As such, Westpac engaged Deloitte to explore attitudes towards a more equal sharing of the load at home, and measure the economic benefit it could generate for New Zealand. This report is part of Westpac's ongoing commitment to improving gender equity, and closing the gender pay gap.

A bespoke survey was conducted for this report. The survey included couples with and without children, as well as solo parents, but deliberately focused on couples with children.[1]

The survey and associated analysis had four key findings:

1. Women typically undertake most of the unpaid work, or the load at home, while men do the majority of paid work.
2. Despite progress in recent years, women continue to participate in the workforce at lower rates and are less likely to work full-time relative to men. Reducing this participation gap could substantially boost our economy.
3. This could also improve wellbeing and help many New Zealanders meet their aspirations to lead a more balanced family life.
4. Sharing the load at home more evenly can facilitate an increase in the total hours of paid work provided by a couple.

Right now, most New Zealand couples do not share the load at home equally. In our survey of 2,421 New Zealanders conducted in October 2020, just 10% of couples where both partners worked full-time said they split the load at home 50:50. On average, female respondents said they did 69% of the unpaid work provided by their couple, and 34% of the total paid work.

When we asked respondents what this division would look like in an ideal world, women said they wanted to do more paid work and less unpaid work, while men wanted to spend less time working, and pick up more of the load at home instead. During Alert Level 4, female respondents said they did proportionately more paid work, while male respondents said they did proportionately more unpaid work.

How did we determine New Zealand's economy could increase by an average of $1.5 billion each year if we shared the load at home? Based on our survey data, we conducted econometric modelling to determine how many hours couples would spend in paid work if they shared the load at home more evenly. The modelling found that the higher earner in a relationship would do 1.3 hours less of paid work and pick up an extra 3.8 hours of unpaid work at home. The lower earner would do 4.3 hours more of paid work each week, but reduce their unpaid work in the home by 3.8 hours. This would result in a net increase of three labour hours per couple, per week. This means the higher earner would take on more household responsibilities from the lower earner. At a national level, this results in an increase in the total number of hours worked across New Zealand.

Given the number of hours worked is a key driver of economic growth, this report finds sharing the load more equally could increase the size of New Zealand's economy by **$1.5 billion** on average every year, representing approximately 0.5% of New Zealand GDP.

Sharing the load at home more evenly

Increases the labour supply of the **lower earner by more** than it decreases the supply of the higher earner

Leading to a net **increase in labour force participation**

Which creates **broader economic benefits** for New Zealand.

On average every year, the economy would be

$1.5 billion larger

with

25,000 additional FTEs

The number of hours worked, or labour supply, is a key driver of economic growth. Computable general equilibrium (CGE) modelling – which represents the demand and supply relationships in the economy – was used to determine how much this additional labour supply would increase the size of the economy by (i.e. $1.5 billion on average, each year). For more information, refer to 'The economic benefit of sharing the load at home', and Appendix C.

Ultimately, a society where New Zealand couples share the load at home evenly, is one where men and women feel empowered to participate equally in both paid and unpaid work.

But moving towards what many New Zealanders want, and achieving the resulting economic benefit, requires change. We know all New Zealand couples won't miraculously be able to, or necessarily want to, move to a more equal division of the load at home overnight. Decisions around how households divide paid and unpaid work will always remain a personal choice.

Given the desire of survey respondents to more equally share the load at home, and the $1.5 billion economic opportunity at stake, this report aims to continue the conversation around how we might achieve this.

We identified four key areas for action:

1. **Normalising flexible work**, which has already been accelerated by the pandemic, needs to continue. Flexible working arrangements, including being able to work from home, were perceived by survey respondents as a key incentive to take on paid work. They could also help couples share the load at home more evenly. In our survey, just 10% of couples who both worked full-time shared the load 50:50. Normalising flexible work will be important in encouraging its uptake, especially by men and those in senior roles.
2. **Government and businesses have an opportunity to work together to improve parental leave**, including by empowering fathers to spend more time with young children. Research shows this leads to greater involvement in childcare throughout the rest of the child's life, and provides greater flexibility for women to take on more paid work. In turn, this can increase economic inclusion for women and help close the gender pay gap. But for any policy changes to be successful, parents need to feel supported to take up new entitlements.
3. Childcare affordability was a challenge for many parents in our survey, and is often a barrier to women re-entering or remaining in the workforce. Given the link between childcare affordability and labour force participation, it's worth exploring what the Government and businesses can do to **improve childcare affordability**.
4. Ultimately, a society where New Zealand couples share the load at home evenly, is one where **men and women feel empowered to participate equally in both paid and unpaid work**. We hope this report stimulates discussion, and prompts you to consider how your family divides paid and unpaid work, how you might like to in the future, and how businesses and the Government could support you to do so.

New survey findings from this report

How do respondents and their partners currently divide paid and unpaid work?

- Male respondents said they did 63% of the total paid work provided by their couple, while female respondents said they did 34%.
- On average, male respondents said they did 43% of unpaid work within a couple. This compares to 69% for female respondents.

How would respondents and their partners like to divide paid and unpaid work in an ideal world?

- In an ideal world, male respondents said they wanted to do 5% less paid work, and 3% more unpaid work.
- Female respondents said they wanted to do 6% more paid work, and 7% less unpaid work.

What are the barriers and incentives to achieving the ideal division?

- Prioritising maximised household income was the most common barrier preventing respondents from achieving their ideal time division (34%), followed by the cost of childcare (24%).
- 44% of respondents agreed being able to work from home would incentivise them to take on paid work.

What was the impact of Alert Level 4?

- During Alert Level 4, male respondents maintained the same contribution to the paid work provided by their couple, on average. However, male respondents did 4% more unpaid work.
- Female respondents saw a 5% increase in the proportion of paid work they provided to 39%. At the same time, the proportion of unpaid work they did fell by 6%.

Sharing the load at home

Balancing careers alongside care responsibilities and housework has always been challenging, but COVID-19 has put a spotlight on how households share the load at home.

Women in New Zealand are participating in employment at higher rates than ever before. Improved access to parental leave, early childhood education (ECE), and flexible working arrangements, have supported New Zealand households to better balance commitments at work, and at home.

Yet New Zealand's female labour force participation rate continues to lag behind males.[2] Despite changes to legislation and workplace policies, women generally continue to do the bulk of care work and housework, while men undertake most of the paid work.[3] This affects the labour force participation patterns of men and women.

COVID-19 has disrupted life as we know it. But it is also an opportunity to reflect, consider how the load at home could be shared in the future, and what this could do for our economy. As such, **Westpac engaged Deloitte to explore and measure the economic benefit of a more equal sharing of the load at home.**

In particular, women tend to work fewer hours than men, and are more likely to take time out of the workforce, or not be in the workforce altogether. Yet we know many women would like to work more, but already feel like they have too much on their plate. This report looks at whether sharing the load at home more equally could support greater labour force participation – particularly by women – and, in turn, grow New Zealand's economy.

When COVID-19 lockdowns saw childcare centres and schools close, and children stuck at home, the spotlight was put on how the load at home is shared.

An international survey conducted across 18 countries[4] during May 2020 showed women, on average, had more responsibility for housework and care responsibilities during lockdown, compared to men.[5] In a similar United Kingdom survey, only a quarter of fathers said they had taken on more childcare responsibilities, compared to half of mothers during lockdown.[6] However, in New Zealand this trend was reversed, as shown in this report.

COVID-19 has disrupted life as we know it. But it is also an opportunity to reflect, consider how the load at home could be shared in the future, and what this could do for our economy. As such, Westpac engaged Deloitte to explore and measure the economic benefit of a more equal sharing of the load at home.

The analysis in this report is based on primary research and data analysis, as well as a review of the relevant literature. In particular, we:

- Conducted a survey of over 2,421 people across New Zealand to understand exactly how men and women divide paid work, and the load at home.
- Considered the current gender-based division of paid and unpaid work, as shown in Appendix A.
- Estimated the economic benefits of a more equal sharing of the load at home to New Zealand's economy using CGE modelling.

This report fills an important gap in existing New Zealand research. While the unequal distribution of paid and unpaid work between men and women is well-established in the literature, there is limited research around the economic benefits of a more equal distribution from a New Zealand perspective.

Sharing the load at home

Sharing the load at home is an "umbrella" term for the variety of tasks required to run a household, and how these tasks are shared.

Housework (i.e. home duties/maintenance) includes activities such as cooking, cleaning, laundry, gardening, home and car maintenance, caring for pets, and household errands like shopping and paying bills.

Care responsibilities (or care work) involve looking after dependent children, including playing with them, helping them with personal care, and taking them to and from school and care. Care responsibilities also involve looking after adults, such as a disabled adult relative, spouse, or dependent parents.

About the survey

This report draws on data from a new survey of 2,421 New Zealand residents aged 18 to 64. The survey was fielded by Dynata during October 2020.

The survey is representative across all regions and incomes, and includes people of all sexualities and genders. Our analysis focuses on heterosexual couples due to the size of the data set, and given the key role gender currently plays in how the load at home is shared.

While ethnicity was not a focus of our analysis, our data suggests the load at home is currently shared similarly across New Zealand European, Māori, Pasifika, and New Zealand Chinese households. Nevertheless, we acknowledge there may be a number of nuances in how families of different ethnicities share unpaid work, which the data may not necessarily capture.

The survey asked up to 26 questions about:

- Employment status
- Uptake of parental leave
- Time use on paid and unpaid work
- Attitudes to gender norms
- Demographics

More information about the survey can be found in Appendix B of this report.

How do we share the load at home?

Most New Zealand couples do not share the load at home equally. Instead, men tend to do most of the paid work, while women take on most of the load at home.

Our survey finds the division of labour is still gendered: men typically do most of the paid work, while women undertake the bulk of housework and care responsibilities. But in an ideal world, most couples wanted to more equally split paid and unpaid work between them.

How do couples currently divide paid work?

On average, male respondents in a couple said they did 63% of paid work, while female respondents said they did 34% of paid work.[7] This mirrors Statistics New Zealand's time use survey, conducted in 2009/10, which found 63% of male work is paid.[8]

85% of all male respondents said they worked full-time, compared to 38% of all female respondents. Women were more than five times as likely as men to work part-time, and over three times as likely to not be employed. As such, it was relatively common for men to work full-time, while their female partner worked part-time, casually, or was not employed (i.e. not in the labour force (NILF)).[9]

Income plays a role in the contribution each partner makes to the hours of paid work provided by their couple. For example, female respondents with a household income under $90,000 did 29% of the paid work provided by their couple. In comparison, female respondents with a household income over $140,000 did 41% of paid work.

Figure 1 shows the main reason respondents are not working full-time, by gender. Women were over four times as likely as males to say they were not working full-time in order to look after their children, particularly if they had infants or toddlers. Moreover, females were over twice as likely as men to not work full-time because of housework.

Young children clearly affect decisions around paid work. Figure 2 shows the percentage of respondents not working full-time to look after their children, by age of eldest child. Respondents with their oldest child aged 0-4 were almost twice as likely as those with their oldest child aged 14-17, to not work full-time in order to look after their child.

Current contribution to paid work:

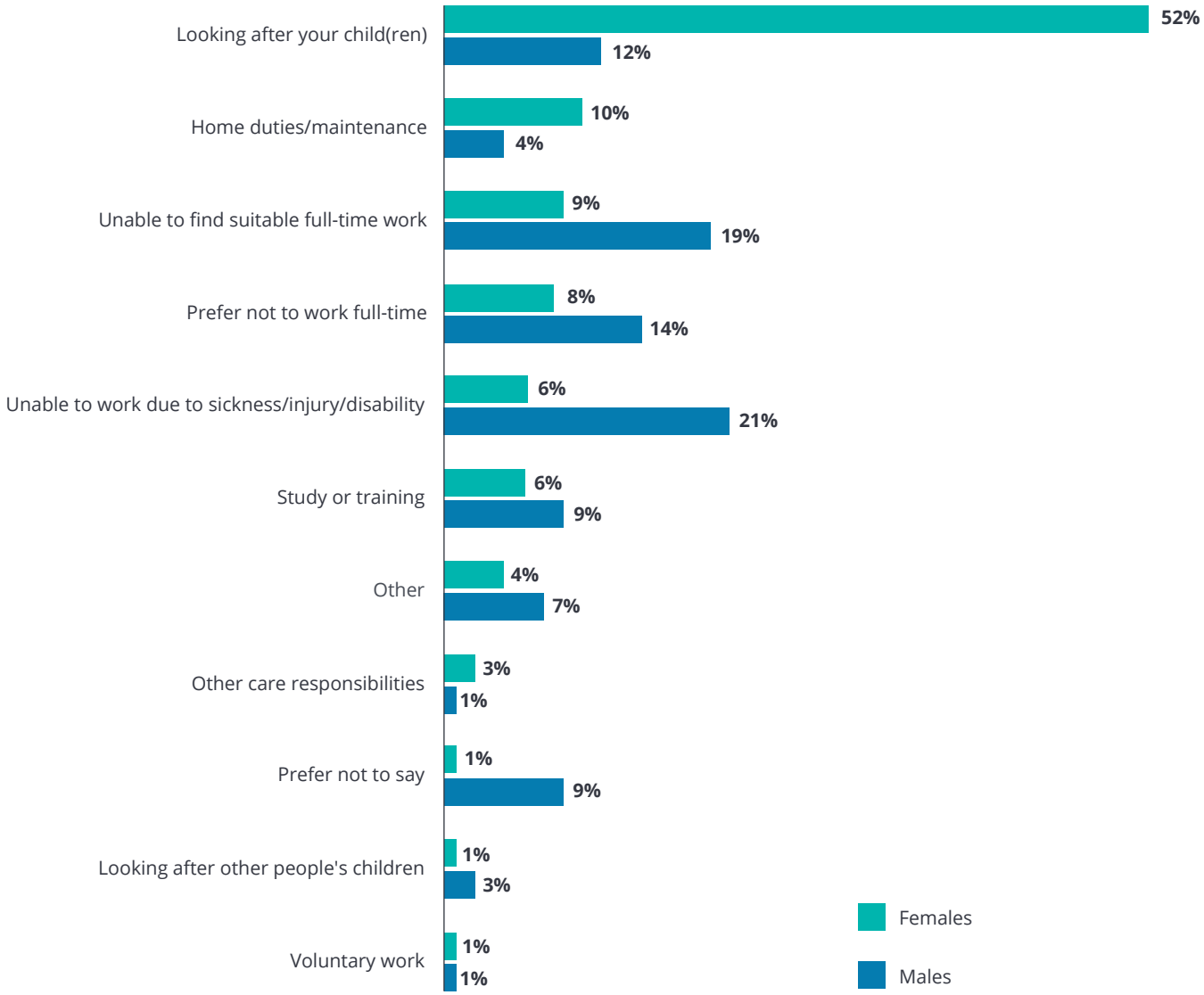
Male respondents
63%

Female respondents
34%

Source: Dynata (2020), Deloitte Analysis, N = 1757

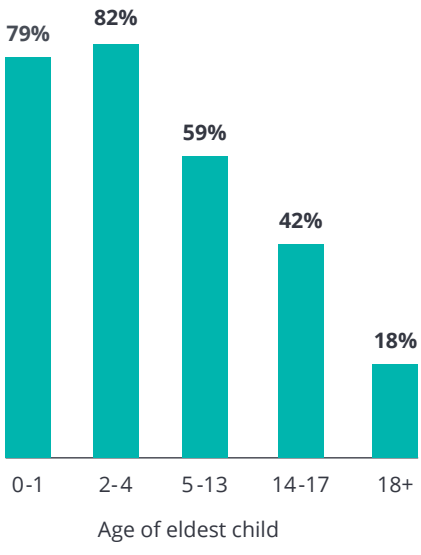
These figures do not add to 100% as they refer to male respondents and a separate group of female respondents.

Figure 1: Main reason respondent is not working full-time, by gender



Source: Dynata (2020), Deloitte Analysis, N = 1070

Figure 2: Respondents who are not working full-time to look after their children



Source: Dynata (2020), Deloitte Analysis, N = 784

How do couples currently divide the load at home?

There are clear patterns around who typically shoulders the load at home. Within couples, male respondents said they did 43% of unpaid work, on average. In contrast, female respondents said they did 69% of unpaid work. These findings are broadly consistent with Statistics New Zealand's Time Use Survey, which found 65% of female work is unpaid.[8]

Current contribution to the load at home

Male respondents
43%

Female respondents
69%

Source: Dynata (2020), Deloitte Analysis, N = 1757

Table 1 below shows the average contribution male and female respondents each made to the total unpaid work provided by their couple.[10] On average, men contributed more housework than care work, while women contributed the same proportion of housework and care work.

On average, male respondents said they did 11 hours of housework per week, and 10 hours of care work. Female respondents said they did 19 hours of housework, and 25 hours of care work.

There tended to be discrepancies in the amount of unpaid work male respondents thought their female partners did, and the number of hours of unpaid work reported by female respondents. For example, male respondents thought their partners did 11 hours of care work per week, well below the 25 hours female respondents said they did on average.

Table 1: Contribution to unpaid work, by gender

Type of unpaid work	Male respondents	Female respondents
Average contribution to housework	45%	69%
Average contribution to care responsibilities	40%	69%

Source: Dynata (2020), Deloitte Analysis, N = 1757

These figures do not add to 100% as they refer to male respondents and a separate group of female respondents.

73% of all respondents thought if both partners in a couple worked, they should share the load at home equally. However, in a typical week, the load at home was equally shared among only:

10%
of couples who both work full-time

13%
of couples who are employed

7%
of couples who both work the same number of hours

Source: Dynata (2020), Deloitte Analysis, N = 1757

Instead, male respondents with a female partner working the same number of paid hours per week, did 19 hours of unpaid work. When it came to female respondents who did the same number of paid hours as their male partners, females did 28 hours of unpaid work. These findings are supported in the literature. For example, Bittman et al. finds even when paid hours of work are equal, women do more unpaid work than men.[11]

Income appears to be a factor in how the load at home is currently shared. Higher income couples were twice as likely as lower income couples to share the load at home equally.[12] In part, this may be because higher income couples also tended to divide paid work more evenly. However, across all incomes, women continued to do the bulk of unpaid work.

The way the load at home is shared also varies by age. Older couples generally did less unpaid work than younger couples. For example, female respondents aged 45-54 did 13 hours of care work per week, compared to 33 hours for female respondents aged 25-34.

While older couples were more likely to share the load at home equally relative to younger couples, most couples across all age brackets did not share the load equally. For example, female respondents aged 45-54 and 25-34 both did around 70% of care work.

Parental leave uptake reflects how unpaid work is typically divided, as summarised in Table 2. Of the respondents who took Primary Carer leave, 83% were women, compared to 17% of men. Relative to women, men were almost four times as likely to take Partner's Leave.

Table 2: Uptake of selected types of statutory parental leave, by gender

Type of leave	Males	Females
Primary Carer Leave	17%	83%
Partner's Leave	78%	21%
Extended Leave	21%	79%

Source: Dynata (2020), Deloitte Analysis, N = 1269

Types of parental leave[13]

Statutory Primary carer leave is available to female employees who are having a baby, or employees who are going to have the primary responsibility for the care, development and upbringing of the child. As at May 2021, employees are entitled to a maximum of $606.46 per week before tax, for up to 26 weeks.[14]

Statutory Partner's Leave provides up to two weeks of unpaid leave for individuals who are not going to be their child's primary caregiver.

Why do couples divide their time this way?

Couples often divided their time this way because they thought it was fair, or it was their preference, as Figure 3 shows.[15]

Many of the men in our sample tended to work longer hours, while their female partners worked fewer hours, or did not work. As such, many women thought it made sense, or was fair, for them to pick up more of the load at home.

But many respondents also said their current division of paid and unpaid work was driven by personal preference.[16] Bertrand suggests this may reflect 'sticky stereotypes' about what men and women 'should' do – i.e. a man should be the breadwinner, and a woman the homemaker.[17] These sticky stereotypes shape choices that may often be consistent with self-interest.

These stereotypes sway people's preferences, sometimes to the extent where individuals are unaware.

What can sharing the load look like?

Jess and Chris Williams

Jess and Chris live in Auckland with their two kids – Emma aged 18 months, and Jacob aged three. Jess works as a vet nurse in Mount Wellington three days a week, while Chris works for a law firm in the CBD.

On her way to work, Jess drops Jacob at kindy, and Emma at her grandma's house shortly afterwards. Once Jess finishes work at 4pm, she picks up Jacob and Emma and returns home to start cooking dinner. Chris has an hour's commute, so normally arrives home around 6:30pm and is on bedtime duty shortly afterwards. Later in the evening, Chris catches up on emails, while Jess will tidy the kitchen and play area.

Chris puts in a lot of hours at work, so Jess is happy taking on more of the load at home. However, if Chris could finish work at 5pm three days a week and do the afternoon pick up, Jess would prefer to do a full day and finish at 5:30pm. If Jess and Chris switched to this routine, they would take on about three more hours of paid work in total, each week.

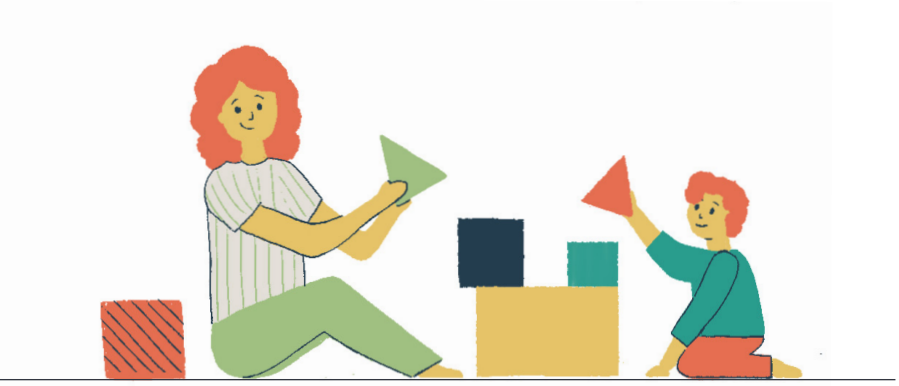
Chris would also get to spend more time with his children, as well as interact with their early childhood teachers and other parents.

Current time division

Within couples,

Male respondents said they did **63%** of paid work.

Female respondents said they did **34%** of paid work.



Within couples,

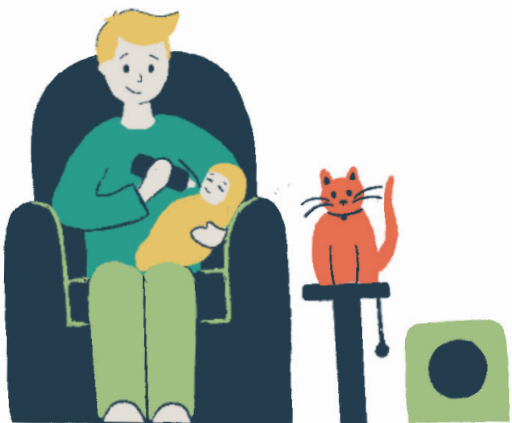
Male respondents said they did **43%** of unpaid work.

Female respondents said they did **69%** of unpaid work.

73% of all respondents thought if both partners in a couple worked, they should share the load at home equally.

However, just **10%** of couples who both work full-time had a 50:50 split of unpaid work.

These figures do not add to 100% as they refer to male respondents and a separate group of female respondents.



Ideal time division

Within couples,

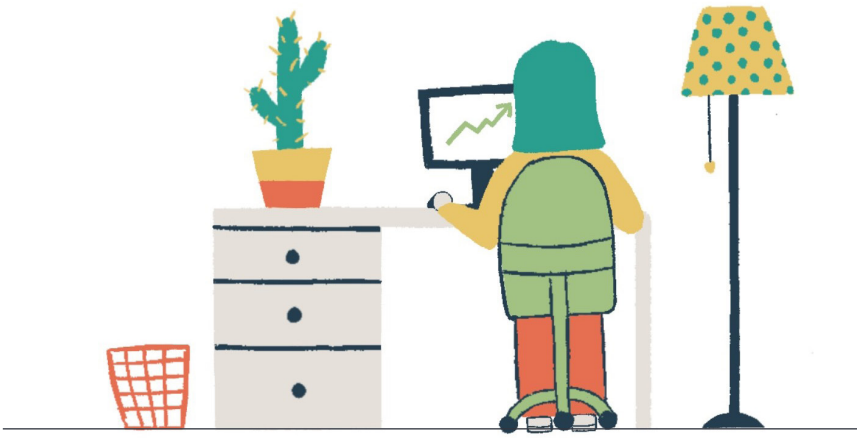
Male respondents wanted to do **58%** of paid work.

Female respondents wanted to do **40%** of paid work.

Within couples,

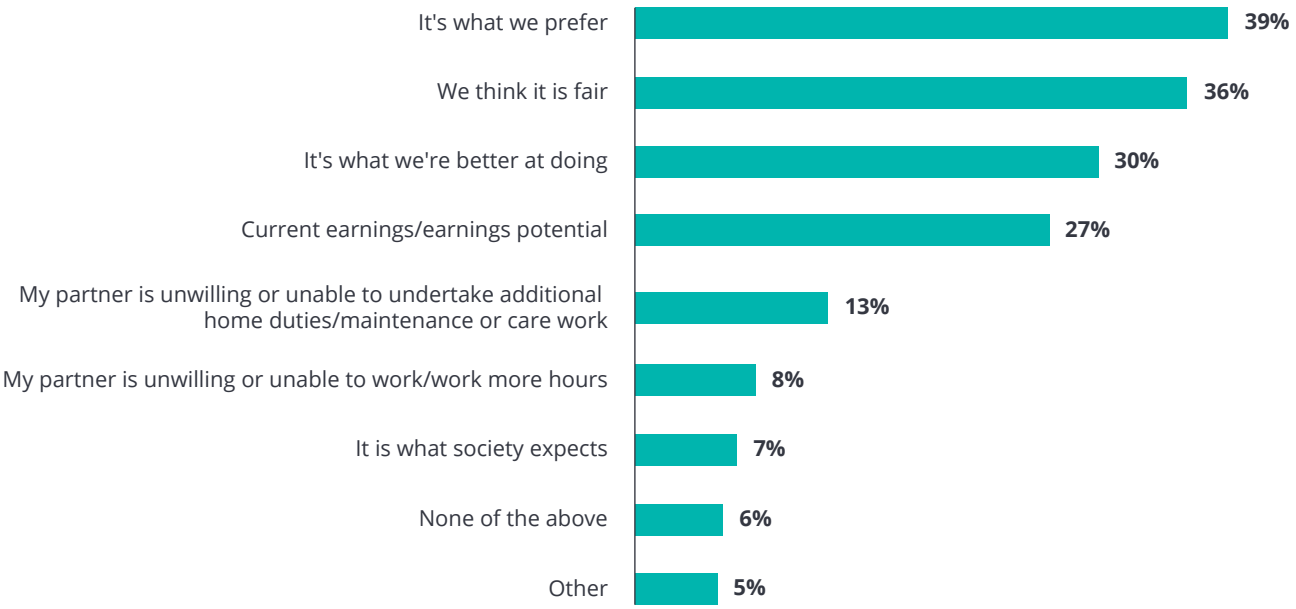
Male respondents wanted to do **46%** of unpaid work.

Female respondents wanted to do **62%** of unpaid work.



These figures do not add to 100% as they refer to male respondents and a separate group of female respondents.

Figure 3: Reasons for current division of paid and unpaid work



Source: Dynata (2020), Deloitte Analysis, N = 2093

Alternatively, stereotypes may affect people's behaviours and preferences, because of concerns around straying from prescribed gender norms.[18] This may explain why only 7% of respondents explicitly agreed 'what society expects' was a factor in their division of paid and unpaid work, while 39% said it was what they preferred.

27% of respondents identified current earnings or earnings potential as a key reason affecting their division of paid and unpaid work. This was particularly true for 25-44 year olds, those with a household income between $90,000 and $140,000, and where one person in a couple worked full-time, while the other worked part-time or casually.

What can sharing the load look like?
Aroha Davis and Simon Cooper

Aroha is 36-years-old and lives in Wellington with her husband Simon. The couple are busy professionals, who both work upwards of 40 hours a week in public sector roles. They have one son, Micah, who has recently turned five and started school.

After school, Micah attends an after school programme in Kelburn until Aroha picks him up just after 5pm. Between 5 and 7pm, Aroha typically squeezes in dinner, a load of laundry, and reads a few books with Micah. Simon arrives home around 8pm and relaxes, while Aroha preps for meetings the following morning.

Although they both work a similar amount and Aroha earns more than Simon, he does much less around the house than her. The couple spends about 50 hours a week looking after Micah and keeping the house in order, of which Simon does 10 hours. Aroha thinks it would be fairer if they split the load at home 50:50, which would be possible if Simon worked through his lunch break and came home an hour earlier, and helped out more during weekends.

How do couples want to divide their time in an ideal world?

On average, men want to do less paid work and more unpaid work.[19] Women, on the other hand, want to do more paid work, and less unpaid work.

While both men and women wanted to see a change in how they and their partner divided their time, women wanted to see a bigger change – particularly when it came to the load at home.

In an ideal world, 27% of our sample desired a 50:50 split of the load at home. Those on higher incomes have a stronger desire, or perhaps perceive a greater ability, to share the load at home equally. 39% of those on a household income of $140,000 or more wanted to share the load evenly, compared to 19% of those with a household income below $90,000.

Even in an ideal world, not all respondents wanted to share the load at home equally. This could be the result of genuine personal preference. However, gender norms may also be driving respondents' attitudes around how they and their partner should spend their time.

How do we get to respondents' ideal division?

Given the difference between the current and ideal division of paid and unpaid work across couples, we wanted to consider what might be preventing the ideal division, and how it could be reached. Figure 4 (on the following page) summarises the barriers respondents identified with.[20]

What can sharing the load look like?

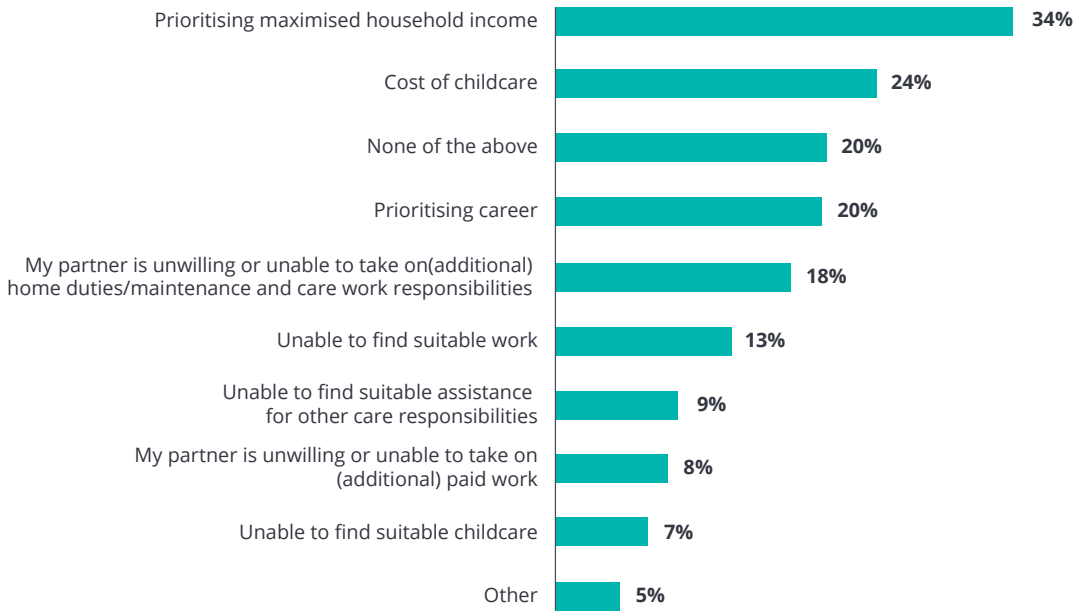
Mike and Rose Chan

Mike is a 62-year-old plumber working in Invercargill, who lives with his wife Rose. Rose teaches at a primary school in Invercargill, and enjoys being around kids – especially now that their children have left home.

Mike enjoys gardening, washing the car, and walking the dog, but also offers to cook dinner once or twice a week. On the other hand, Rose does most of the cleaning and laundry, and the weekly grocery shop. These chores take Mike and Rose about 20 hours a week, which they split roughly 40:60.

Not everyone wants to change how they share the load at home. Mike and Rose have been married for nearly 35 years – so they know what works for them, and want to stick with it. As Mike and Rose are both nearing retirement, they are keen to keep their evenings and weekends free, rather than working more.

Figure 4: Barriers preventing ideal time division



Source: Dynata (2020), Deloitte Analysis, N = 2093

34% of respondents said prioritising maximised household income was one factor preventing them from achieving their ideal split of paid and unpaid work, with their partner. This was a barrier for 40% of respondents aged 35-44, and for 43% of respondents where either they or their partner were working full-time, while the other worked part-time or casually.

But more instrumental than assistance with childcare was being able to work from home, and flexible working arrangements – even for respondents without children, and across a range of demographics.

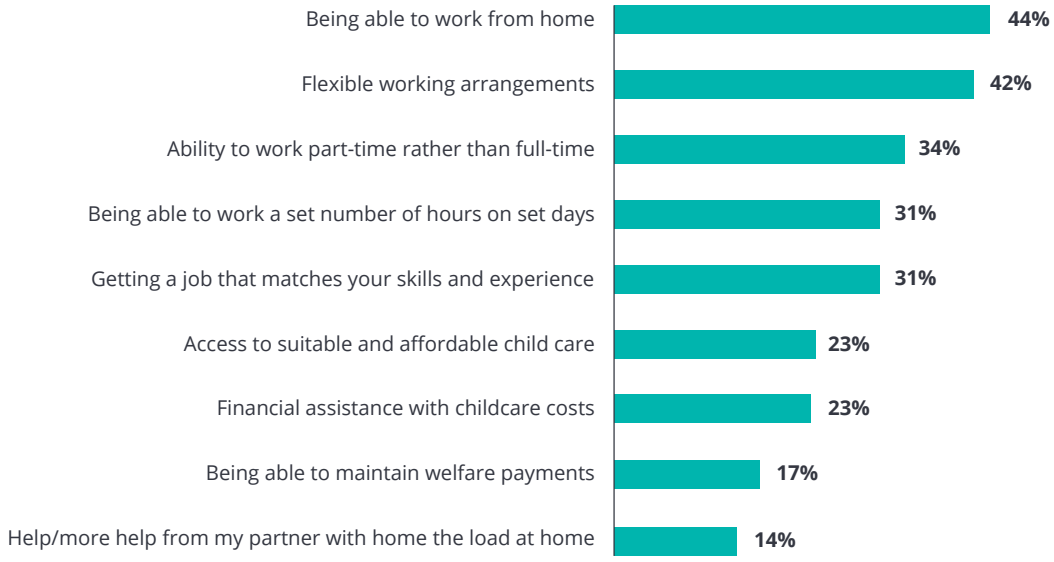
While finding suitable childcare was not a barrier for most, the cost of childcare was a key challenge. Nearly a quarter of respondents thought access to suitable and affordable childcare, and financial assistance with childcare costs, would incentivise them to undertake more paid work.

Over double the number of women identified these as incentives, compared to men. Childcare appears to be front-of-mind for more women than men, given women generally tend to do more childcare.

But more instrumental than assistance with childcare was being able to work from home, and flexible working arrangements – even for respondents without children, and across a range of demographics.

Figure 5 shows the other factors that could encourage people to undertake more paid work.[21]

Figure 5: Incentives to take on additional paid work, all respondents



Source: Dynata (2020), Deloitte Analysis, N = 2093

Impact of COVID-19

Our findings suggest Alert Level 4 (lockdown) had a small effect on the paid and unpaid work patterns of couples, as summarised in Table 3.[22]

We found the total hours of paid work provided by couples fell during lockdown. However, based on the hours reported by respondents, women increased their relative contribution to the paid work (in percentage terms) provided by their couple.

Couples increased the amount of unpaid work they did during lockdown, with schools and childcare centres closed and everyone at home virtually all of the time. Indeed, women continued to do the bulk of unpaid work during lockdown. However, we found the average male contribution to unpaid work within a couple increased during lockdown, while the average female contribution decreased.

Unlike surveys conducted overseas, our findings do not suggest women bore the brunt of COVID-19's impact on the load at home. Instead, both men and women faced a bigger load at home, which was shared.

Notwithstanding the vast differences between life in lockdown and everyday life, these findings represent a version of 'what could be' – men taking on more of the load at home, and women increasing the amount of paid work they do.

Table 3: Contribution to paid and unpaid work during lockdown, by gender

Activity	Male respondents	Female respondents
Paid work	63% (no change on a typical week)	39% (up 5% on a typical week)
Housework	49% (up 4% on a typical week)	62% (down 7% on a typical week)
Care responsibilities	44% (up 4% on a typical week)	63% (down 6% on a typical week)

Source: Dynata (2020), Deloitte Analysis, N = 1757

Why share the load at home?

Respondents expressed a desire to more equally share the load at home. Moving to a more even share of unpaid work would better match what many New Zealanders want, and deliver a significant benefit to our economy.

The economic benefit of sharing the load at home

More equally sharing the load at home would grow New Zealand's economy by an additional $1.5 billion on average every year, representing approximately 0.5% of New Zealand GDP.

Overall, sharing the load at home is good for families and individuals. Couples where both partners divide unpaid work more equally are generally healthier[23] and happier[24] than those who do not.

But there's also a broader economic dividend. Distributing housework and care responsibilities more equally means more people can join the workforce, increasing participation rates. This is critical to longer term economic growth and could also catalyse broader economic benefits, such as reducing the gender pay gap.

Sharing the load at home creates an opportunity for an overall increase in the number of hours people spend in paid work. This report uses econometric modelling to look at how many hours couples would be willing to work in a scenario where the load at home is shared more evenly, based on couples' stated preferences. The modelling finds that a more even split of the load would mean higher income earners would tend to work fewer hours. However, this decrease is more than offset by an increase in the working hours of lower income earners. In net terms, **sharing the load at home leads to an additional three hours labour supplied per couple, per week.**

Yet, the benefit this change creates for the broader economy is substantial. If all couples in New Zealand shared the load at home more evenly, **it would mean New Zealand's economy was on average $1.5 billion larger every year, representing approximately 0.5% of New Zealand GDP**. In employment terms, it leads to an additional 25,000 full-time employees, on average each year.

Of course, there are a range of factors determining how couples choose to divide unpaid work – from personal preferences and upbringing, to practical considerations like income, and access to suitable childcare. Not every household will be willing or able to adopt a more even distribution of unpaid work. However, these figures indicate the magnitude of the economic opportunity which could result.

More evenly sharing the load at home requires what for many would be an achievable reallocation of time. For the average household, holding the absolute amount of unpaid work constant:

- The lower earner would spend an additional 4.3 hours on paid work and 3.8 hours less on unpaid work.
- The higher earner would spend 3.8 hours more on unpaid work and 1.3 hours less on paid work, in order to accommodate additional household responsibilities.

Sharing the load and labour supply

Using data on the time-use patterns and labour supply of more than 1,600 New Zealand couples from our survey, we determined the relationship between sharing the load and household labour supply.[25] The modelling controls for other factors which might affect labour supply, such as location, family type, age, number of children, age of youngest child, household income and ethnicity. Further detail on the model specification is provided in **Appendix C**.

Specifically, the modelling considered the impact on total hours worked by a couple as a result of moving towards the ideal split of unpaid work. The ideal division of unpaid work was determined based on the stated preferences of survey respondents, for the portion of respondents who said their current division of labour was not a preference.

Modelling for this report found that if couples who would like a more even split of unpaid work were to move to the ideal, this would lead to a **three hour increase every week** in labour supply per couple.

While sharing the load more evenly leads to a net increase in labour supply at the household level, it means changes in how both partners spend their time. The modelling suggests more evenly sharing the load at home would see the lower income earner (who often does the higher share of unpaid work) willing to work 4.3 more hours every week. The higher income earner in the relationship (who typically does less housework) would work 1.3 hours less every week on average, in order to accommodate increased housework and care responsibilities. For the average couple household, more evenly sharing the load at home would mean moving half an hour of unpaid work from the lower to the higher earner every day, or 3.8 hours every week.[26]

These changes may necessitate a decrease in the leisure time of both couple members.[27] However, at an aggregate level households would see an increase in income. Many households may also choose to get help with household tasks; for example, unpaid help (via family or friends) or paid help (e.g. gardeners or babysitters).[28] Indeed, higher levels of outsourcing were correlated with greater household labour supply in the survey.

However, not every household is going to be able to make this change. One reason some households may choose not to share the load equally is that it may leave them financially worse off; for example, due to wage differences or childcare costs. Additionally, if the time spent on unpaid work remains the same, an increase in paid work may take away from leisure time. Each household will make their own decisions about the ideal way to spend time based on its needs and preferences. However, across the economy, the net impact of sharing the load at home is positive.

Modelling for this report found that if couples who would like a more even split of unpaid work were to move to the ideal, this would lead to a three hour increase every week in labour supply per couple.

The benefits of sharing the load are also likely to persist. In the survey sample, more than three-quarters (76%) of the lower earners were female. And it's well known that women tend to do the bulk of unpaid work – this is true across all OECD countries.[29] In part, this is caused by norms surrounding gendered roles and skills.[30]

As women work more hours and men take on a greater share of the responsibilities at home, this will help to reshape the narrative around the gendered division of labour, creating a virtuous cycle. For example, research from Harvard Business School found that daughters of employed mothers across 29 countries were 1.2 times more likely to be employed, have higher annual earnings, and spend 44 additional minutes at work every day, compared to daughters of stay-at-home mothers.[31] Over time, increasing female labour supply could also lead to broader benefits for women, such as reducing the gender pay gap.

The economic impact of higher labour force participation

Labour supply, or the number of hours worked, is a key driver of economic growth. Increasing the hours of work being done leads to an increase in GDP per capita, all else being equal.[32]

By increasing labour supply, sharing the load at home would create an economic benefit for New Zealanders. Using computable general equilibrium (CGE) modelling, this report estimated the impact of higher labour supply on output and jobs in New Zealand **(see Appendix C for details).**

This report estimates New Zealand's economy would be on average $1.5 billion larger every year under a scenario where all couples shared the load more evenly.[33] We conservatively assume it takes 10 years for couples to fully transition from the status quo to one where they are sharing the load at home more evenly.

Sharing the load at home isn't just good for businesses – households benefit from a jump in income too. Sharing the load more evenly would increase gross national income – a measure of the total income earned in New Zealand – by $1.2 billion on average every year. This is equivalent to a 0.5% increase every year, or an additional $530 per household (with the majority of the overall benefit accruing to those households whose collective labour supply has increased).[34]

This benefit is not just a one-off. Every year where couples are more evenly sharing the load at home means another year of economic gains. In the longer-term, increased participation could also lead to improvements in productivity. This is because wages tend to increase as employees gain more experience, skills and knowledge relevant to their work, leading to a virtuous cycle.

While it's true it may take the economy some time to incorporate more workers, research suggests that changes to participation are unrelated to unemployment rates over time.[35] That is, the increase in labour supply also generates its own demand, developing the need for those additional workers. That's why countries with large migration programmes don't tend to see higher unemployment rates over a sustained period.

Other studies support the idea that increasing participation in the labour force would lead to an increase in GDP. For example, Bryant et al. found increasing the labour force participation of women aged 25-34 to the average of the top five OECD nations, would make GDP 1% higher than it would otherwise have been.[36] Similarly, McKinsey estimated if female labour force participation in each country increased at the same rate as the most rapidly improving country in their region, global GDP could increase by $12 trillion over a period of 10 years.[37]

Call to action

New Zealand is set to gain from sharing the load at home. But getting there requires a society where men and women feel supported to participate equally – both in the workplace, and at home.

New Zealand is set to gain from sharing the load at home

Sharing the load at home would increase the size of New Zealand's economy by an additional $1.5 billion on average every year, representing approximately 0.5% of GDP. This economic benefit is driven by the increased labour force participation facilitated by a more equal division of housework and care responsibilities.

Our modelling finds sharing the load at home leads to a net additional three hours labour supplied per couple, per week. At a national level, sharing the load at home leads to an additional 25,000 full-time employees, on average each year.

But a more equal sharing of the load at home won't happen overnight

The way couples distribute the load at home isn't a simple phenomenon, but a web of decisions – like choosing to have children, putting children in day care, taking time out of the workforce, or working part-time.

These decisions are often the result of personal choice, influenced by attitudes, beliefs, values, and societal norms. Often they are also constrained by external factors – such as the cost of childcare, earnings, the availability of suitable work, or leave eligibility.

Government and workplaces have the ability to alter many of these external factors, such as changing parental leave settings. But they are less able to immediately shift the narrative around the gendered division of labour, and therefore alter how people make deeply personal choices.

That requires a combination of policy, and a shift towards a society where men and women feel empowered to participate equally – both in the workplace, and at home.

So, what can we do now?

To continue the conversation around how we can share the load at home more equally, we've proposed four key areas for action below.

1. Normalising flexible work

COVID-19 threw New Zealand into a giant experiment. Four in 10 employed New Zealanders worked from home during lockdown, with many parents also juggling childcare.[38] More than ever before, employers and employees had to work together to balance paid work and personal commitments.

Many employees demonstrated they could work from home, adopt flexible start/finish times, or compress their work weeks, and continue to work effectively – despite the circumstances posed by lockdown. This has accelerated the shift towards flexible work.

Flexible work offers benefits for both employees and employers. Supporting employees to balance personal commitments and pursuits alongside paid work can result in happier staff, who are more engaged, productive, and likely to remain with their current employer. For parents in particular, flexible work can help them remain in paid employment, and share the load at home. Beyond the benefits for family life, higher levels of labour force participation can also help to grow the economy.

Normalising flexible work – including for men and those in senior roles – will be important to incentivising its uptake, and minimising any perceptions of those who use flexible work as being less interested or committed to their careers.[39] This will be especially important in encouraging men to adopt flexible work, so they can take on a greater share of the load at home.

Working face-to-face will always be important for meaningful and effective communication, employees to remain connected to each other, and team culture. Some roles will continue to require employees to be on-site all the time. But when used tactically, flexible work offers benefits for individuals, businesses, and the wider economy.

2. Encouraging dads to take parental leave

83% of those who took Primary Carer Leave in our survey sample were women, while 78% of those who took Partner's Leave were men. Estimates suggest just 4% of Kiwi dads take the full two weeks of Partner's Leave, let alone assume full childcare responsibilities.[40]

Removing the barriers for men to take on more of the load at home, especially when it comes to childcare, starts from the moment a child is born. Bonding between a father and his baby during paternity leave can improve a dad's confidence and ability to care for his child in the long-term.[41] At the same time, this makes it easier for mums to take on paid work.

Government and businesses have an opportunity work together to improve parental leave.

To encourage fathers to take parental leave, the Government could introduce a 'father's quota', which would set aside leave specifically for dads, or secondary caregivers. As the leave would be non-transferable, it would be lost if not taken by the father.
This approach has been adopted in many Nordic countries.[42]

Government and businesses have an opportunity to work together to improve parental leave. Some businesses have already taken action by topping up eligible employees' salaries above the statutory rate, extending primary carer and partner's leave, or offering a combination of additional leave and a salary top-up.

But it's not just on the Government and businesses to change: men need to feel they are able to take parental leave without worrying how it might impact their reputation, earning potential, and career trajectory. That requires workplaces, men, and their families, to help normalise fatherhood in the workplace.

3. Improving childcare affordability

The Government subsidises 30 hours of ECE per week, and fully funds 20 hours of this for three-to five-year-olds.[43] In addition, the out of school care and recreation (OSCAR) subsidy provides support for some school-aged children.[44]

Yet for many parents, the cost of childcare remains a challenge. Our survey found it was the second-most common barrier preventing respondents from achieving their ideal split of paid and unpaid work between them and their partner.

Similarly, Statistics New Zealand's 2017 childcare survey found 19% of parents working, or wanting to work, cited childcare being too expensive as their main difficulty in getting childcare.[45]
This impacts workforce participation, especially that of mothers: 27% of mothers who experienced difficulties getting childcare turned down paid work, while 22% stopped searching for paid work. This compares to 14% and 12% for fathers, respectively.

More affordable childcare may change the way the load is shared at home, by supporting more families to outsource childcare, or outsource a greater proportion of it. In turn, this may free up more individuals – especially women – to participate in the workforce. Over time, this may help to shift perceptions of women as homemakers alone.

Given the implications of childcare affordability on labour force participation, it's worth exploring what the Government and businesses can do to minimise costs.

4. Challenging gender norms

Perhaps the simplest, yet hardest change required is challenging stereotypes around what men and women 'should' do. Gender norms are socially constructed ideals around the appropriate roles and behaviours of men and women. They are so pervasive, they often alter our preferences without our conscious awareness, or influence our decisions in ways we may not fully agree with.

Everyone has a role to play in changing how we think about gender. Openly supporting men and women who wish to work and parent means not batting an eyelid when dad leaves work early to take his daughter to a swimming lesson, when mum works 60 hours a week and dad takes on the load at home, or when mum and dad both work and look after the kids.

We recognise we don't have all the answers to how we can more equally share the load at home, and realise the resulting economic benefit. But we hope this report prompts you to consider how your family shares the load at home, how you might like to in the future – and how workplaces and the Government could help you to do so.

Appendix A: Historical context

New Zealand's labour force structure and supply differs substantially by gender. Men are concentrated in full-time employment across their working life, while women are more likely to work part-time, or not be employed.

Understanding how labour force participation varies by gender – both over time, and in 2020 – provides important context to our survey findings, in terms of how likely each gender is to participate in paid work, and at what intensity.

New Zealand's labour force structure and supply differs substantially by gender. Men are more likely to work full-time across their lifetimes, while women are more likely than men not to work, or work part-time. In addition, male labour supply appears to be virtually unaffected by fatherhood, whereas motherhood has a much larger effect on female labour supply.

With increased workforce participation often cited as a driver of economic growth, understanding how more equally sharing the load at home could increase workforce participation and reduce underutilisation is important – particularly as we continue to the economic recovery from COVID-19.

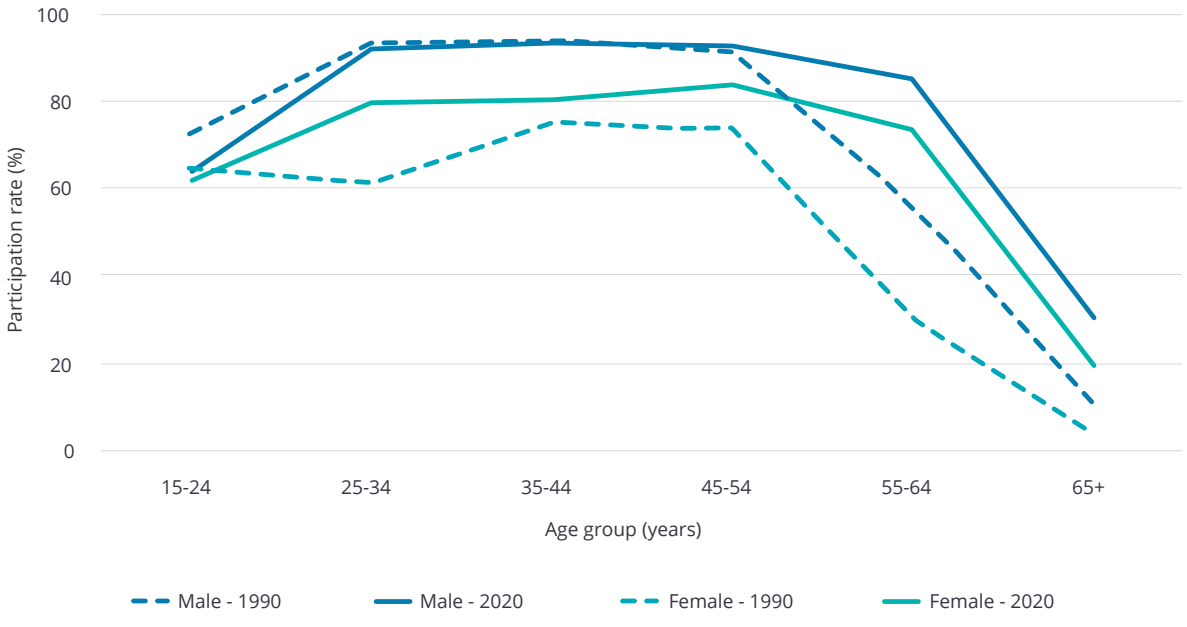
Participation trends over time

Male and female participation patterns in New Zealand have historically been very different, as shown in Figure A.1. Although female participation remains lower than male participation, it is catching up. In 1990, the average male participation rate was 70%, while the average female participation rate was 51%.[46] This participation gap was particularly large for 25-34 year olds; research suggests this is largely the result of women leaving the workforce to have children.

Male labour force participation in the 25-54 age group has remained steady since 1990, averaging 92% between 1990 and 2020. However, the participation rate of females aged 25-54 has gradually increased over the same period, from 70% in 1990, to 81% in 2020.[46] In addition, female participation in the 55-64 age group has grown substantially, rising from 31% in 1990 to 73% in 2020.[46]

Over time, the female participation rate and pattern has shifted closer to that of males. For the year ended December 2020, male and female participation rates are similar for 15-24 year olds.[46] Nevertheless, women's participation rate continues to lag behind men's.

Figure A.1: Male and female labour force participation in New Zealand, 1990 versus 2020



Source: Statistics New Zealand (2021a), HLF035AA

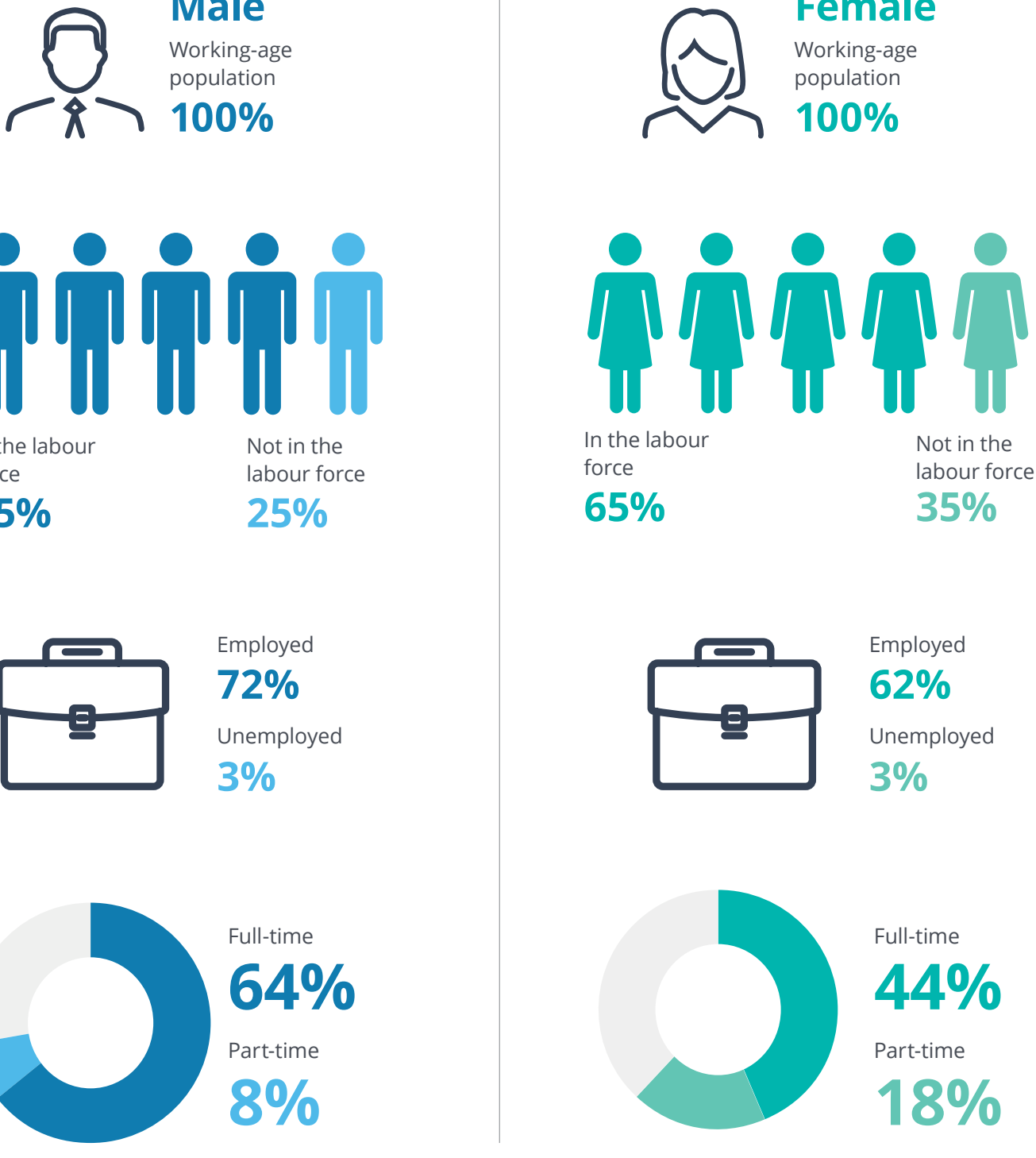
What does New Zealand's labour force look like today?

The working age population is split roughly 50:50 between men and women. However, for the December 2020 quarter:[47]

- 75% of men were in the labour force, compared to 65% of women.
- 64% of men were employed full-time, compared to 44% of women.
- 8% of men were employed part-time, compared to 18% of women.

Figure A.2 below provides a visual overview of these statistics, and a breakdown of the working age population by gender.

Figure A.2: Labour force structure[46]



Source: Statistics New Zealand (2021a), HLF035AA

The number of hours worked by men and women reflect New Zealand's labour force structure, as Figure A.4 shows.[48] Men tended to work a higher number of hours than women, particularly in the '50 hours and over' bracket. However, the proportion of men and women working 40 hours was similar, at 25% for females and 31% for males. Nevertheless, females remained concentrated across the bands with fewer hours, given the high proportion of women working part-time.

Given this distribution of hours, average weekly paid hours were 36 for men and 30 for women, for the year ended December 2020.[49]

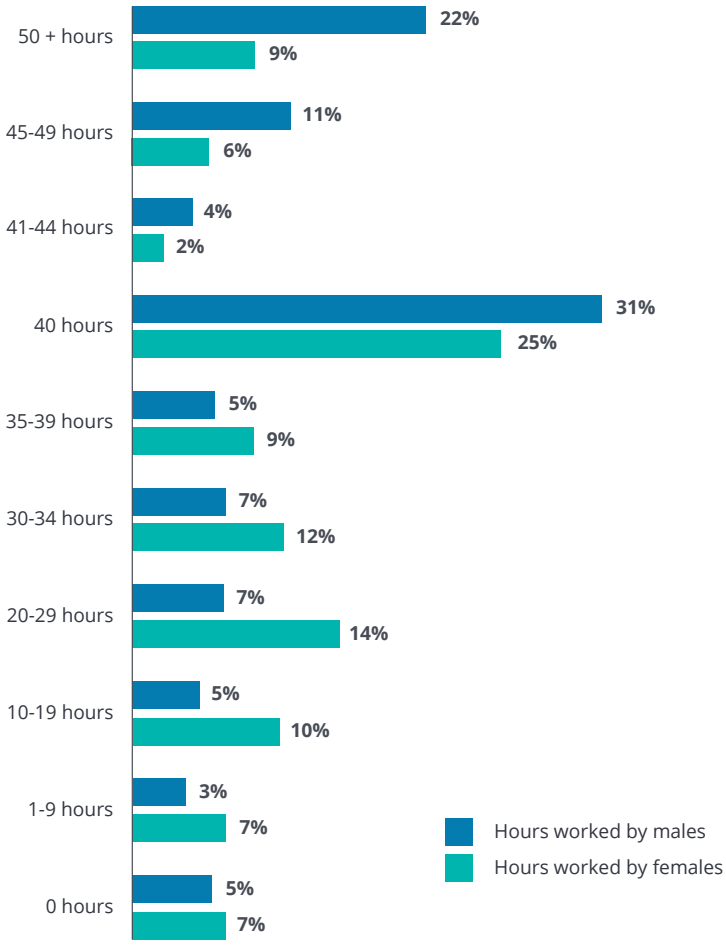
The reasons for the different patterns and intensity of labour force participation between men and women are complex and multifaceted. However, changing the way men and women share the load at home could shift labour force participation patterns, and allow New Zealand to realise an economic benefit.

Why is our labour force structured this way?

The reasons for the different patterns and intensity of labour force participation between men and women are complex and multifaceted. For example, if a couple has a child, decisions around who takes primary carer leave, whether one or both partners return to work, and whether they both return full-time, all impact labour force participation.

However, changing the way men and women share the load at home could shift labour force participation patterns, and allow New Zealand to realise an economic benefit.

Figure A.4: Hours worked in main job, by gender



Source: Statistics New Zealand (2021b), HLF259AA

To find out what this economic benefit might be, we asked 2,421 New Zealanders how they currently divide their time between paid and unpaid work, and what this division might look like an ideal world.

These findings are reported earlier in this report.

Appendix B: Survey information

This report draws on a survey fielded by Dynata in October 2020. 2,421 New Zealanders were asked questions about paid work, care responsibilities, housework, and parental leave.

The sample is nationally representative across regions, income and ethnicity. However, we restricted our sample to those aged between 18 and 64, to reflect the bulk of the working age population.

A key focus of this report is on individuals not in the labour force, working part-time, or casually – which tends to be women. As a result, we oversampled females to ensure statistical robustness.

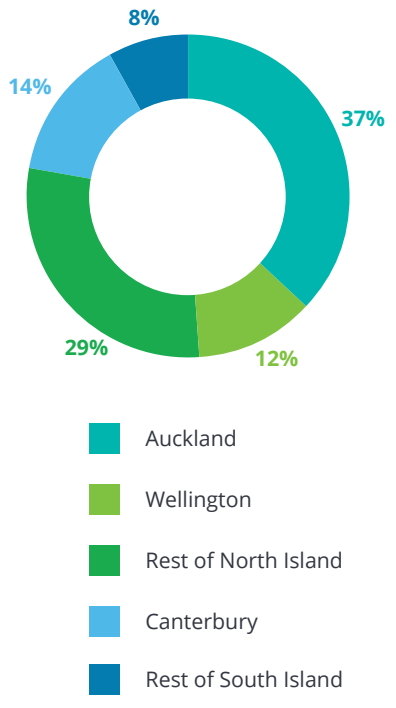
Although part of our survey analysis covers the full sample of 2,421 respondents, much of the analysis focuses on couples and how they divide their time. This analysis uses a filtered dataset. Couple observations were only included if the respondent stated their relationship status was "Married/in a de facto relationship/in a civil union", and if they lived with a partner.

Couple observations were dropped from the sample if household labour supply was equal to 0, or if it exceeded 150 hours per week. 150 hours was chosen as a cap, as it is unrealistic for couples working more than this to increase their hours worked. Couple observations were also excluded if either partner spent more than 150 hours on unpaid work each week, or if the household did not do any unpaid work. Further, couple observations were excluded from the sample if the total reported hours (spent on paid work, care responsibilities and housework) of either partner exceeded 168.

The remaining sample comprised 1,757 couple observations. Note this differs from the sample of 1,635 observations used for modelling, as further cleaning needed for modelling was performed on this data.

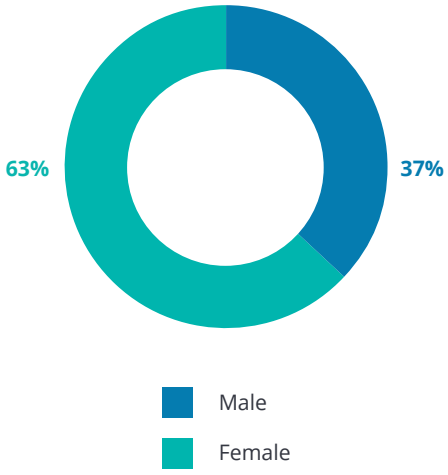
This sample was then analysed across various demographics, particularly gender, age and income. The graphs below provide an overview of the key demographics across the full sample of 2,421 individuals.

Figure B.1: Regional breakdown of where respondents live



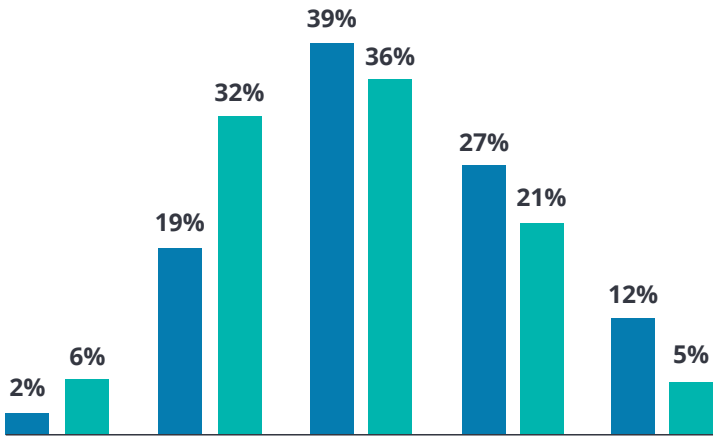
Source: Dynata (2020), Deloitte Analysis, N = 2421

Figure B.2: Gender of respondents



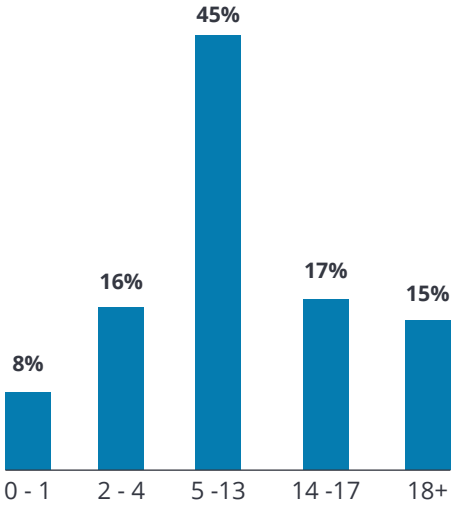
Source: Dynata (2020), Deloitte Analysis, N = 2421

Figure B.3 Age of respondents



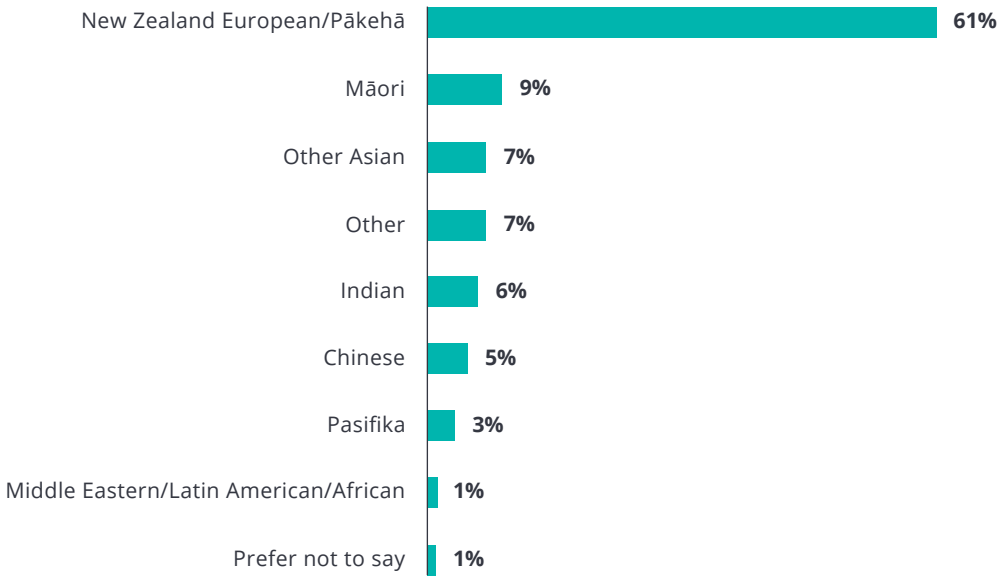
Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.4 Age of respondents' children



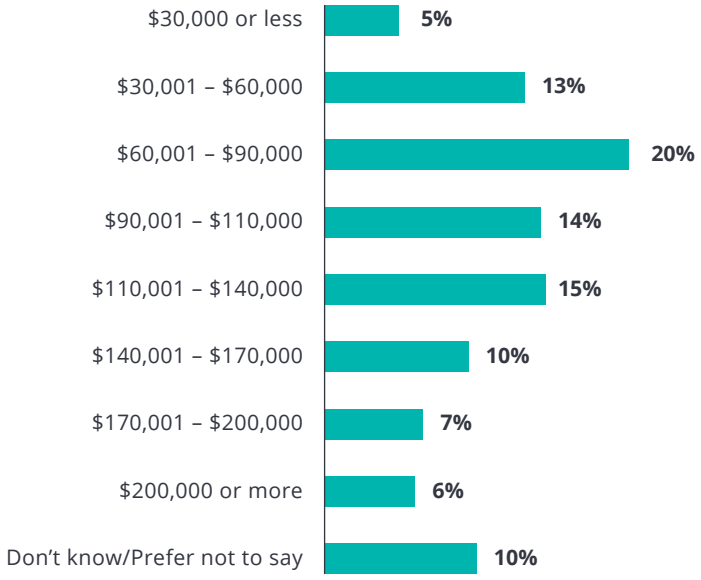
Source: Dynata (2020), Deloitte analysis, N = 1994

Figure B.5: Ethnicity of respondents



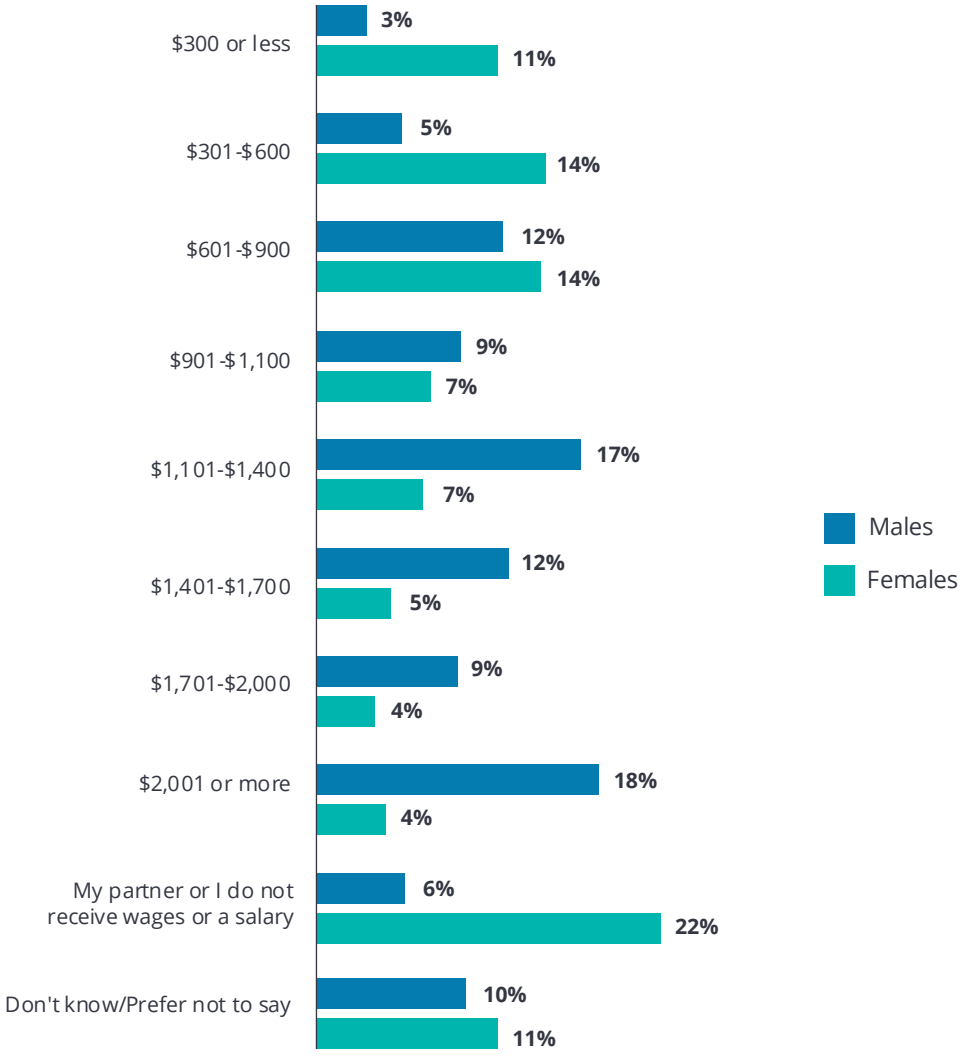
Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.6: Household income of respondents



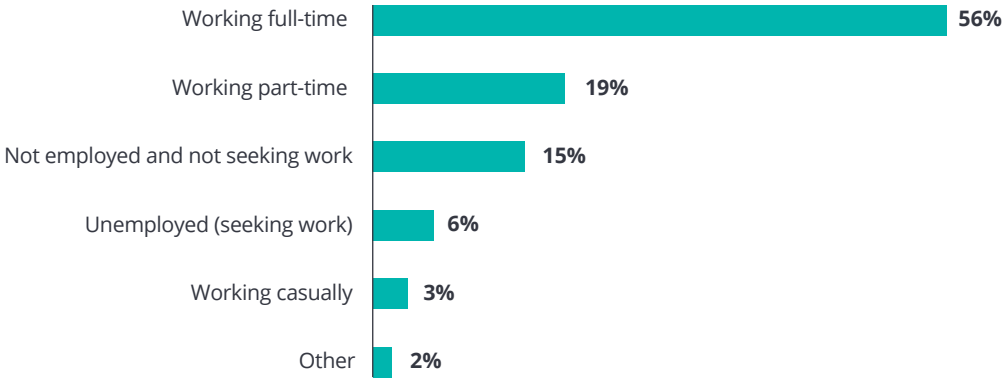
Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.7: Weekly income of respondents



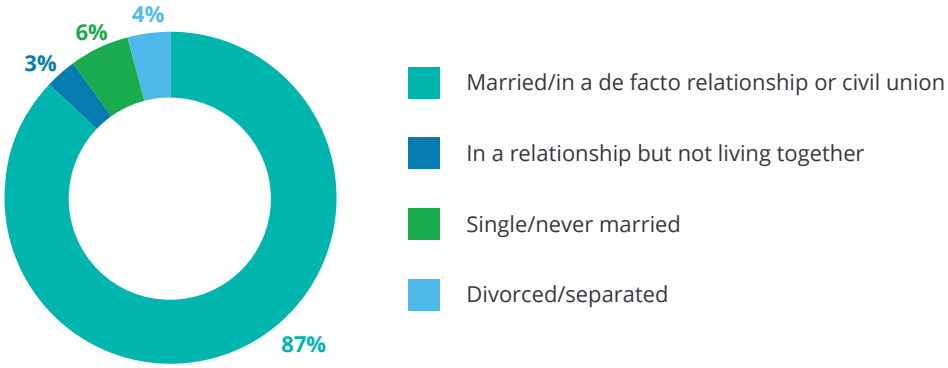
Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.8: Labour force status of respondents



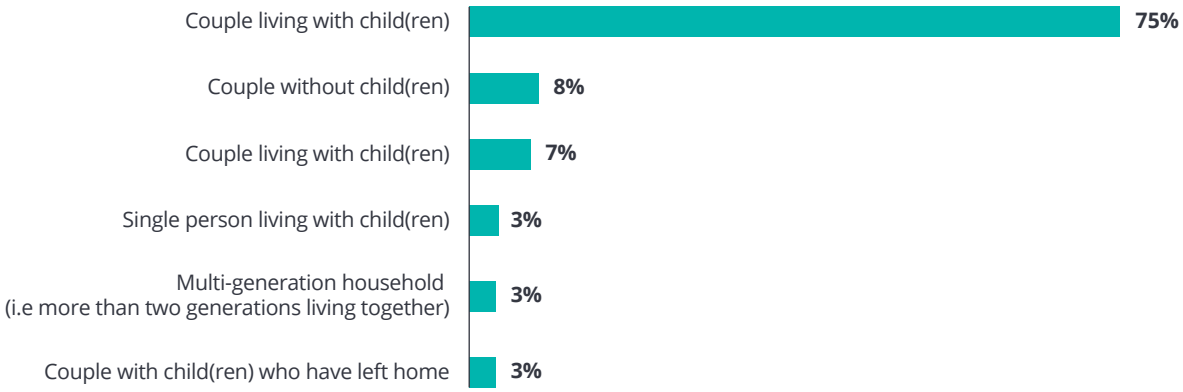
Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.9: Relationship status of respondents



Source: Dynata (2020), Deloitte analysis, N = 2421

Figure B.10: Living situation of respondents



Source: Dynata (2020), Deloitte analysis, N = 2421

Appendix C: Modelling the economic benefit of sharing the load at home

Sharing the load and labour supply

To determine the economic impact of sharing the load, it's first necessary to understand how household labour supply changes in response to variation in the distribution of unpaid work between partners.[50]

The distribution of unpaid work between partners, or the extent to which partners are sharing the load, is calculated as follows:

$$\text{(I) } \textit{Sharing the load} = 1 - \left| \frac{HW_1 - HW_2}{HW_1 + HW_2} \right|$$

Where HW denotes the number of hours typically spent completing housework every week, which includes cooking, cleaning, outdoor tasks (such as car maintenance and repairs, or mowing the lawn), household errands (such as grocery shopping or organising household finances), as well as time spent actively supervising children or caring for a disabled/elderly family member. The subscripts 1 and 2 denote the first and second partner respectively.[51]

The index ranges between a score of zero and one, where a score of one implies the couple is sharing housework equally (a 50:50 split), while a score of zero implies one person is doing all of the unpaid work.

A key element of this index is it is blind to the absolute hours of housework conducted by the household. For example, if in household A one partner undertook 10 hours of housework and the other 90, they would receive a score of 0.2. However, household B could also receive a score of 0.2 if one partner did two hours of housework every week and the other did 18.

Data used for this analysis was drawn from a bespoke survey of 2,421 New Zealand residents, fielded by Dynata in October 2020. Survey responses were filtered so only respondents aged between 18 and 64 years old (inclusive), and currently living with a partner were included.

Couple observations were excluded if household labour supply was equal to zero, or if it exceeded 150 hours per week. Couple observations were also dropped from the sample if the total reported hours (spent on paid work, care responsibilities and housework) of either partner exceeded 168, or if either partner reported spending more than 150 hours on unpaid work.

The remaining sample comprised 1,635 couple observations. A summary of the key descriptive statistics of the sample is shown below.

Table C.1: Sample descriptive statistics

Variable	Mean
Sharing the load at home	0.64
Weekly hours spent in paid work (higher earner)	41
Weekly hours spent in paid work (higher earner)	23
Weekly hours spent in unpaid work (higher earner)	22
Weekly hours spent in unpaid work (lower earner)	39
Couple age	41
Number of children	1.9

Source: Deloitte Access Economics (2020), N = 1635

The sample mean value of sharing the load was 0.64. This is equivalent to one partner doing 32% of the unpaid work, and the other completing 68%. The higher earner in the couple typically spends 41 hours in paid work and 22 hours in unpaid work, while the lower earner spends 23 hours in paid work and 39 hours in unpaid work. On average, couples were aged 41 years, and had 1.9 children.

To determine the impact of sharing the load at home on household labour supply, a standard linear regression model was used. The analysis was repeated twice to determine the impact of sharing the load at home for both the higher earner (1), and lower earner (2) in the household.[52] The regressions also controlled for the ages and gender composition of the partners, as well as whether the couple had any children living at home, the age of their youngest child, ethnicity, household income and their living situation (for example, if it was a multi-generational household).[53]

The empirical specification is shown below.

$$\begin{aligned}\textit{Hours spent in paid employment}_i &= \alpha + \beta_1\, \textit{Sharing the load} \\ &+ \beta_2\, \textit{Age} + \beta_3\, \textit{Couple type} + \beta_4\, \textit{Children} \\ &+ \beta_5\, \textit{Youngest child} + \beta_6\, \textit{Ethnicity} \\ &+ \beta_7\, \textit{Household income} \\ &+ \beta^8\, \textit{Living situation} + \varepsilon\end{aligned}$$

The results are presented in the table below.

Table C.2: Regression output

	(1) Higher earner	(2) Lower earner
Hours spent in paid work	-6.00*** (0.84)	19.71*** (1.27)
Constant	30.31*** (4.26)	11.31 (5.49)

Source: Deloitte Access Economics (2020)

Note: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level. Standard errors are shown in parentheses. Output for control variables have not been presented in the table above.

These results suggest moving from a score of zero to one, in terms of sharing the load at home, leads to a six hour decrease in the hours spent in paid work for the higher earner, and close to a 20 hour increase for the lower earner. The net impact is therefore 13.71 additional hours spent in paid employment at the household level. Moving from zero to one in the sharing the load variable is equivalent to shifting from one partner doing all of the unpaid work, to a situation where unpaid work is divided evenly between partners.

This analysis clearly demonstrates sharing the load at home leads to higher net participation in the labour market. Yet, there is still a question around how this uplift translates to all couple households across New Zealand, as not all households may be willing or able to change the way they currently divide unpaid work.

To account for this, we take a subset of couples where the respondent has not stated their current division of unpaid work is a preference and where both partners are not employed full-time. The former helps to filter out couples that would not be willing to provide more hours to the labour market, while the latter removes couples that are unable to provide additional hours, due to both partners already working full-time. This filtered sample comprises 559 couple observations.

In the survey, respondents were asked to provide (in addition to their current time-use allocations) their ideal division of work between themselves and their partner. Based on the responses of the filtered subset, the ideal sharing the load variable was calculated at 0.70. This is equivalent to one partner doing 35% of the unpaid work and the other undertaking 65%.

The ideal division of unpaid work noted here relates to the filtered subset only. It represents a more unequal division of work, relative to the ideal split for the broader survey sample (which is comprised of 1,757 respondents).[54] This approach helps to ensure the uplift in labour force participation as a result of sharing the load is specific to couples who are able and willing to change their current division of unpaid work.

The difference between couples' current sharing the load score and the sample ideal was calculated among the smaller subset of couples, then multiplied by 19.7 and – 6.0 (the regression output) to get the change in hours supplied for the lower and higher earner, respectively.[55] On average, the lower earner supplies an additional 4.3 labour hours, and the higher earner decreases their labour supply by 1.3 hours each week. This is equal to a net increase of three hours per household. For the average couple household, more evenly sharing the load at home would mean moving half an hour of unpaid work from the lower to the higher earner every day, or 3.8 hours every week.[56]

Across New Zealand, there are 545,500 households where at least one partner is in the labour force, and both partners are not working full-time.[57] Assuming these households shared the load more equally, the labour force participation of higher earners is expected to decrease by 719,329 hours, while the labour supply of lower earners increases by 2,362,852 hours. The net increase in labour force participation is therefore 1,643,522 hours each week.

The economic impact of higher labour force participation

To estimate the economic impact of higher labour force participation in New Zealand, CGE modelling was used.

The CGE model represents the demand and supply relationships in the economy, providing a clear way to trace how a change in labour force participation impacts key variables (like value-added and employment). CGE modelling captures the net impact of a labour supply shock. That is, it captures the increase in economic growth relative to a baseline scenario where the economy grows over time per business as usual.

CGE modelling is the framework best suited to modelling the impact of large projects or policies on the economy. In this framework, it is possible to account for resourcing constraints and opportunity costs, and to model changes in prices and the behaviour of economic agents in response to changes in the economy.

The Deloitte Access Economics regional general equilibrium model (DAE-RGEM) is a model of the world economy and represents the interaction of households and firms with factor markets and goods markets over time. DAE-RGEM represents all economic activity in the economy, including production, consumption, employment, taxation and trade. It can be customised to represent regions and industries of interest.

Inputs to the modelling

The previous analysis showed while sharing the load leads to a net positive increase in labour supply, the change in labour force participation differs for the higher and lower earner within couple households. The change in labour supply at an occupational level is therefore likely to vary depending on whether the occupation is comprised of a higher proportion of higher or lower earners.

Table C.3: Change in FTEs by occupation

Occupation (ANZSCO)	Change in FTEs
Managers	-7,176
Professionals	-3,144
Technicians and Trade workers	0
Community and Personal Service workers	4,495
Clerical and Administration workers	649
Sales workers	42,418
Machinery operators and drivers	0
Labourers	17,542

Source: Deloitte Access Economics (2020)

To help account for this, the change in labour supply was mapped to the expected change in occupations across New Zealand. This was done by imputing occupation for both the higher and lower earner by mapping median weekly earnings by occupation in New Zealand[58] to average weekly earnings for each partner.[59] Where the lower earner was not currently in the labour market, they were assumed to re-enter the labour force as a salesperson or labourer (the two lowest earning occupations).[60] Individuals were assumed to remain in the same occupation over the ten year period of interest, between 2021 and 2031.

This approach will likely yield conservative results, given:

- It is expected a portion of the individuals not currently in the labour force would re-enter in a different and more highly paid occupation.
- There is a degree of reverse causality between hours spent in the labour market and market wages. As individuals spend more time in paid employment, they gain job-specific skills, knowledge and expertise that make them more valuable in the labour force. Over time, it is likely individuals would move from lower earning occupations to more highly paid occupations.

The occupational distribution for higher and lower earners is then multiplied by the expected change in labour supply as a result of sharing the load at home. This provides the net change in hours by occupation[61], which is subsequently converted to a change in full-time equivalents (FTEs).[62] This yields the results shown in the table opposite.

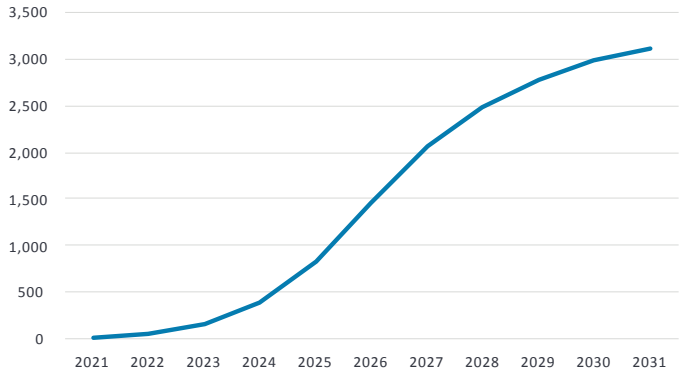
CGE modelling assumes the shock to labour supply is phased in over a period of ten years, from 2021-2031, in an s-shaped fashion. This phased in approach accounts for the fact that for many couples, adopting a more equal division of unpaid work will take time to implement.

Results

Sharing the load at home is expected to lead to a $1.48 billion net increase to New Zealand's economy on average every year, and an additional 25,300 FTEs.

The net change in economic output year-on-year is shown in Figure C.2. In 2031, New Zealand's economy is expected to be $3.1 billion larger as a result of sharing the load at home.

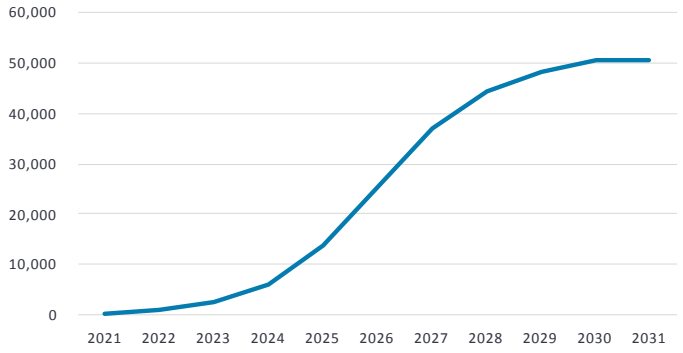
Figure C.2: Net increase in New Zealand GDP between 2021 and 2031 as a result of sharing the load at home ($ millions)



Source: Deloitte Access Economics (2020)

The impact on jobs follows the same trajectory, growing from approximately 300 additional FTEs in year 2021 to 50,500 FTEs in 2031. This is shown in Figure C.3 below.

Figure C.3: Net additional FTEs in New Zealand between 2021 and 2031 as a result of sharing the load at home



Source: Deloitte Access Economics (2020)

Endnotes

1. 75% of survey respondents were in a relationship and had at least one child. For more details about survey respondents, refer to Appendix B.
2. The labour force participation rate refers to the number of people either in paid work or seeking paid work, as a proportion of the working age population (those aged 15 and over).
3. Ministry for Women (2020), Paid and unpaid work, available https://women.govt.nz/work-skills/utilising-womens-skills/paid-and-unpaid-work
4. The countries included in the survey were Colombia, Mexico, South Africa, Argentina, India, Brazil, Russia, China, Spain, Italy, United States, France, United Kingdom, Australia, Canada, Japan and Germany.
5. Azcona, G., Bhatt, A., & Love, K. (2020), Ispos survey confirms COVID-19 is intensifying women's workload at home, available https://data.unwomen.org/features/ipsos-survey-confirms-covid-19-intensifying-womens-workload-home
6. Ispos MORI (2020), Half of mothers say they have taken on more childcare responsibilities than their partners during lockdown, compared to around a quarter of fathers, available https://www.ipsos.com/ipsos-mori/en-uk/half-mothers-say-they-have-taken-more-childcare-responsibilities-their-partners-during-lockdown
7. Respondents were asked how many hours they and their partner each spent on paid and unpaid work. These figures were then used to calculate the relative contribution each partner made to the paid and unpaid work provided by their couple.
8. Statistics New Zealand (2011), Time Use Survey: 2009/10, available http://infoshare.stats.govt.nz/browse_for_stats/people_and_communities/time_use/TimeUseSurvey_HOTP2009-10.aspx#gsc.tab=0
9. A person is not in the labour force if they are neither employed nor unemployed, and are aged 15 years or over (part of the working-age population).
10. These figures do not add to 100% as they refer to male respondents and a separate group of female respondents, rather than male respondents and their female partners, for example.
11. Bittman et al., (2020), When does Gender Trump Money? Bargaining and time in household work, American Journal of Sociology.
12. Higher income couples are defined as those on a household income of $140,001 or more, while lower income couples are defined as those on a household income of $90,000 or less.
13. Employment New Zealand (2020a), Types of parental leave, available https://www.employment.govt.nz/leave-and-holidays/parental-leave/types-of-parental-leave/
14. Employment New Zealand (2020b), Amount of parental leave payment, available https://www.employment.govt.nz/leave-and-holidays/parental-leave/parental-leave-payment/payment-amount/
15. The percentage of males and females who took Partner's Leave does not add to 100%, as 1% of people who took Partner's Leave identified as gender diverse.
16. These figures add up to more than 100% as respondents could select multiple answers.
17. The percentage of respondents who agreed 'It's what we prefer' was a reason for their division of paid and unpaid work between them and their partner was similar. One exception was the 18-24 age group, who were less likely to agree their current time division was a preference.
18. Bertrand, M. (2020) 'Gender in the Twenty-First Century', AEA Papers and Proceedings.
19. Respondents were asked how they would like to divide unpaid work between them and their partner in an ideal world. Responses were provided in percentage terms. For paid work in an ideal world, respondents provided their answers in hours. We then calculated the relative contribution each partner would make to the paid work provided by their couple.
20. These figures add up to more than 100% as respondents could select multiple answers.
21. These figures add up to more than 100% as respondents could select multiple answers.
22. The figures in Table 3 do not add up to 100%, as they consider the change in the contribution to each activity for male respondents and a separate group of female respondents.
23. Kosakowska-Berezecka, N., & Korzeniewska, L. (2016), 'Sharing housework can be health: cultural and psychological factors influencing men's involvement in household maintenance', Health Psychology Report.
24. Ruppanner, L., Branden, M., & Turunen, J. (2017), 'Does unequal housework lead to divorce? Evidence from Sweden, Sociology.
25. Our modelling and survey analysis on time division uses data from respondents currently living with a partner only. Where relevant, the survey analysis also considers the wider sample.
26. Holding the absolute amount of housework and care work constant.
27. For the average couple household, sharing the load at home more evenly would mean a reduction in leisure time of 2.5 hours for the higher earner and half an hour for the lower earner.
28. In the survey, 14% of couples were currently outsourcing some of their housework and/or care responsibilities.
29. OECD.Stat (2020), Time spent in paid and unpaid work, by sex, available https://stats.oecd.org/index.aspx?queryid=54757
30. Bertrand, M. (2020), 'Gender in the Twenty-First Century', AEA Papers and Proceedings, Vol. 110.
31. McGinn, K., Castro, M., & Lingo, E. (2018), 'Learning from Mum: Cross-National Evidence Linking Maternal Employment and Adult Children's Outcomes', Work, Employment and Society.
32. Johnston, G. (2005), 'Women's labour force participation in New Zealand and the OECD, New Zealand Treasury, available https://www.treasury.govt.nz/sites/default/files/2008-02/lfpw-johnston.pdf
33. Up to the level where one partner is completing 35% of the unpaid work, and the other partner is completing 65%. This was the average ideal division of work among couples where one partner was not working full-time and where their current division of labour was not a preference. Note this differs to the average ideal division of labour across the entire survey sample.
34. The average household size according to Statistics New Zealand is 2.6 people.
35. Layard, R., Nickell, S., & Jackman, R. (1996), Macroeconomic performance and the labour market, OECD Publishing.
36. Bryant, J., Jacobsen, V., Bell, M., & Garrett, D. (2004), 'Labour force participation and GDP in New Zealand', New Zealand Treasury Working Paper.

37. Woetzel, J., et al. (2015), 'The power of parity: How advancing women's equality can add $12 trillion to global growth', available https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth#:~:text=How%20advancing%20women's%20equality%20can%20add%20%2412%20trillion%20to%20global%20growth,-September%201%2C%202015&text=A%20McKinsey%20Global%20Institute%20report,gaps%20in%20work%20and%20society

38. Statistics New Zealand (2020a), Four in 10 employed New Zealanders work from home during lockdown, available https://www.stats.govt.nz/news/four-in-10-employed-new-zealanders-work-from-home-during-lockdown

39. Public Service Commission (2020), Flexible-Work-by-Default Guidance and Resources, available https://www.publicservice.govt.nz/our-work/the-gender-pay-gap-and-pay-equity/flexible-work-by-default/?e6318=6369-resource-3-the-benefits-of-flexible-working

40. Stuff (2018), Last year only 324 men took parental leave, and it's an issue, available https://www.stuff.co.nz/business/106386280/last-year-only-324-men-took-parental-leave-and-its-an-issue#:~:text=In%20New%20Zealand%2C%20just%20324,versus%20more%20than%2030%2C000%20women

41. Harrington, B., Van Deusen, F., Fraone, J., Eddy, S., Haas, L. (2014), The New Dad: Take Your Leave, available https://www.fatherhood.gov/research-and-resources/new-dad-take-your-leave

42. OECD (2015), Background brief on fathers' leave and its use, available https://www.oecd.org/els/family/Backgrounder-fathers-use-of-leave.pdf

43. New Zealand Government (2020), Help paying for childcare, available https://www.govt.nz/browse/family-and-whanau/childcare-and-supervision/help-paying-for-childcare/

44. Work and Income (2020), Out of School Care and Recreation (OSCAR) Subsidy, available https://www.workandincome.govt.nz/products/a-z-benefits/oscar-subsidy.html#null

45. Statistics New Zealand (2018a), Childcare a challenge for 1 in 6 working parents, available https://www.stats.govt.nz/news/childcare-a-challenge-for-1-in-6-working-parents

46. Statistics New Zealand (2021a), Labour Force Status by Sex by Age Group (Annual-Dec), available http://archive.stats.govt.nz/infoshare/

47. These figures are not seasonally adjusted.

48. Statistics New Zealand (2021b), Persons Employed by Sex by Job by Hours worked (Qtrly-Mar/Jun/Sep/Dec), available http://archive.stats.govt.nz/infoshare

49. Statistics New Zealand (2021c), Average Weekly Paid Hours (Employees) by Industry (ANZSIC06) and Sex (Qtrly-Mar/Jun/Sep/Dec), available http://archive.stats.govt.nz/infoshare

50. The modelling in this report included both heterosexual and queer couples. Queer couples comprised a small proportion of our sample.

51. Partner 1 provided time-use information on both couple members in the household.

52. Not controlling for hours worked.

53. Some of the controls were not significant. As a robustness test, a more parsimonious model was run only including those variables which were found to be statistically significant predictors of hours worked. This yielded similar effect sizes for the shared care variable relative to the full model.

54. Across the broader survey sample, the ideal division of unpaid work was one where one couple member is responsible for 55% of the unpaid work and the other is responsible for 45%.

55. Ignoring observations where sharing the load variable is already at or above 0.7.

56. Holding the absolute amount of unpaid work constant.

57. Statistics New Zealand (2018a), The number of households has been growing at the same rate as population growth in New Zealand between 2018 and 2020.

58. Statistics New Zealand (2020b), Earnings from main wage and salary job by occupation, available http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7475

59. This was done for the smaller subset of couples expected to be impacted by sharing the load only.

60. Statistics New Zealand (2018b), Highest qualification and occupation (ANZSCO major group) by sex, for the employed census usually resident population count aged 15 and over, 2018 Census, available http://nzdotstat.stats.govt.nz/ /Index.aspx?DataSetCode=TABLECODE8306#

61. Together, these occupations make up 20% of the New Zealand labour force (Statistics New Zealand, 2018b).

62. The change in hours by occupation was converted to change in FTEs by dividing by 30. Statistics New Zealand classifies a worker as full-time if they work 30 hours or more.

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