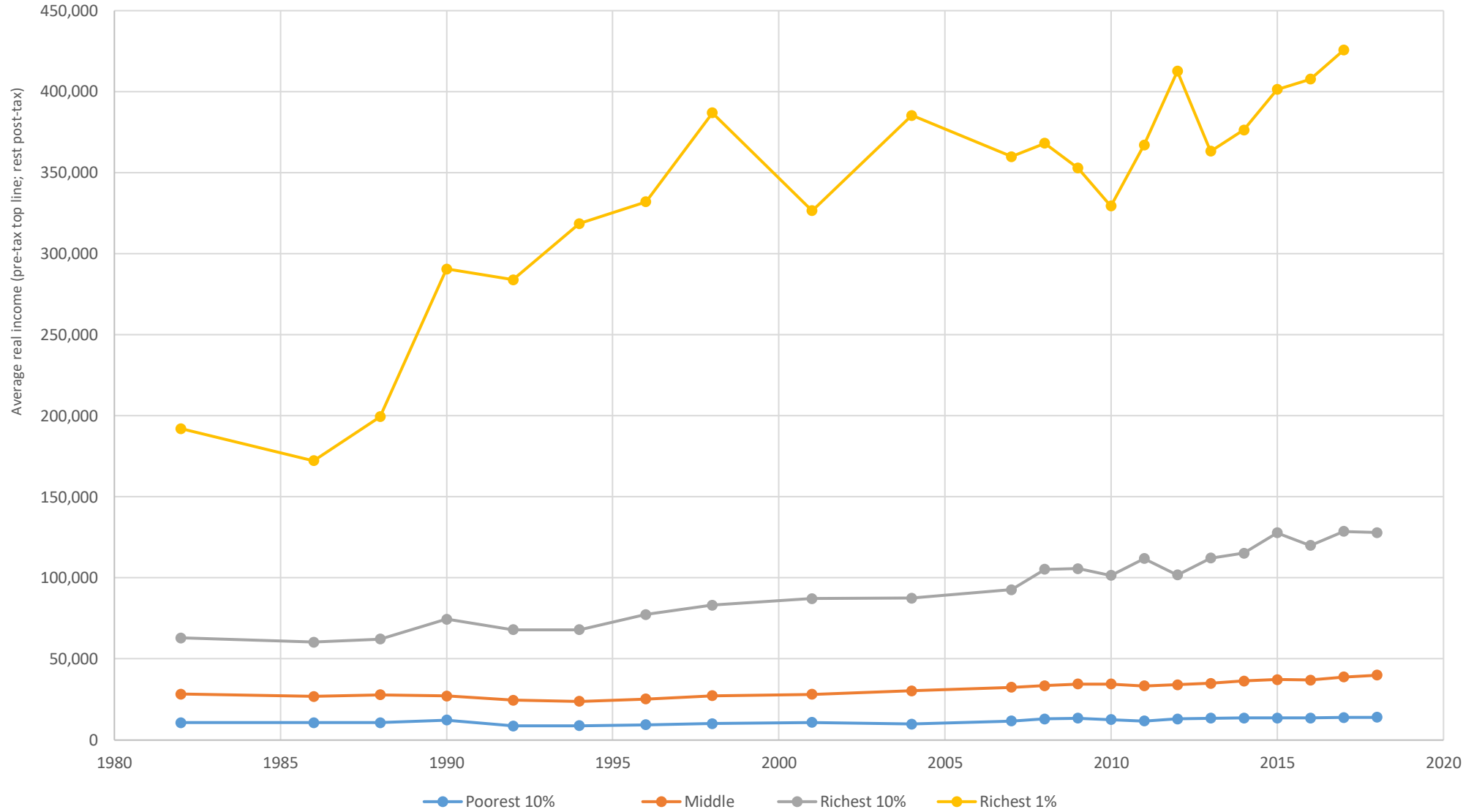


A Mountain Still to Climb: The 2022 Budget in perspective

**Max Rashbrooke
May 2022**



Inequality of income



Source: Household Incomes in New Zealand, MSD, 2019; World Inequality Database

Imagine all the wealth in New Zealand condensed into a ten storey apartment building. All the savings, all the property, all the assets. And we all live there, together.

The richest 1% of us have the plush penthouse on the top floor. In fact, they own not just the top floor, but the whole 9th floor too. It's the high life - they've got plenty of space, the best views, probably an infinity pool.

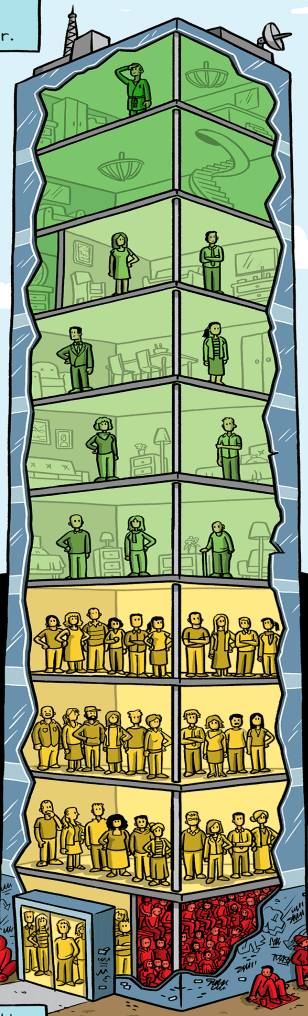
After that are the next richest 9%, who own the next four floors. Life's still pretty good here too - plenty of room to spread out. In total the richest 10% own more half the building - around 59%.

Moving down again, the next richest 40% take up almost four floors. Which seems about right, right? Arguably, this is the elusive middle New Zealand. They're not loaded, but secure and stable. Comfortable.

And if you feel like we're quickly running out of floors, you're right. At the latest count, the poorest 50% of New Zealand are crammed into a fifth of a floor.

Half the country have little to no assets or savings, many living in debt. It's damp, dangerous and unhealthy: The crime, health and education stats aren't pretty.

One thing this data doesn't show us is the age breakdown of the different groups. Amongst the poorest 50% are some aged 15-30 who have student debt but will earn their way out. Unfortunately they are outnumbered by those who will stay trapped in poverty for life - the Dunedin longitudinal study suggests that by our 30s we've all divided into very similar patterns.



RICHEST
1% OWN
22%

NEXT RICHEST
9% OWN
37%

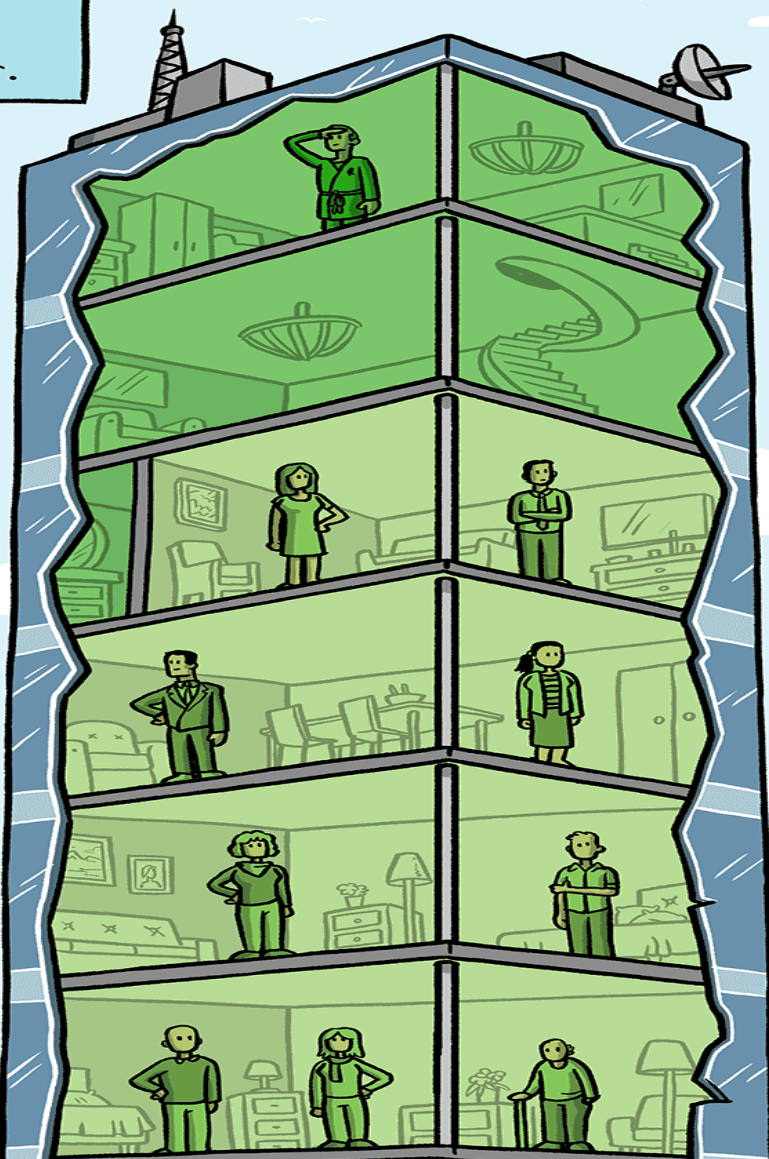
NEXT RICHEST
40% OWN
39%

POOREST
50% OWN
2%

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Inequality of inflation (since 2008)

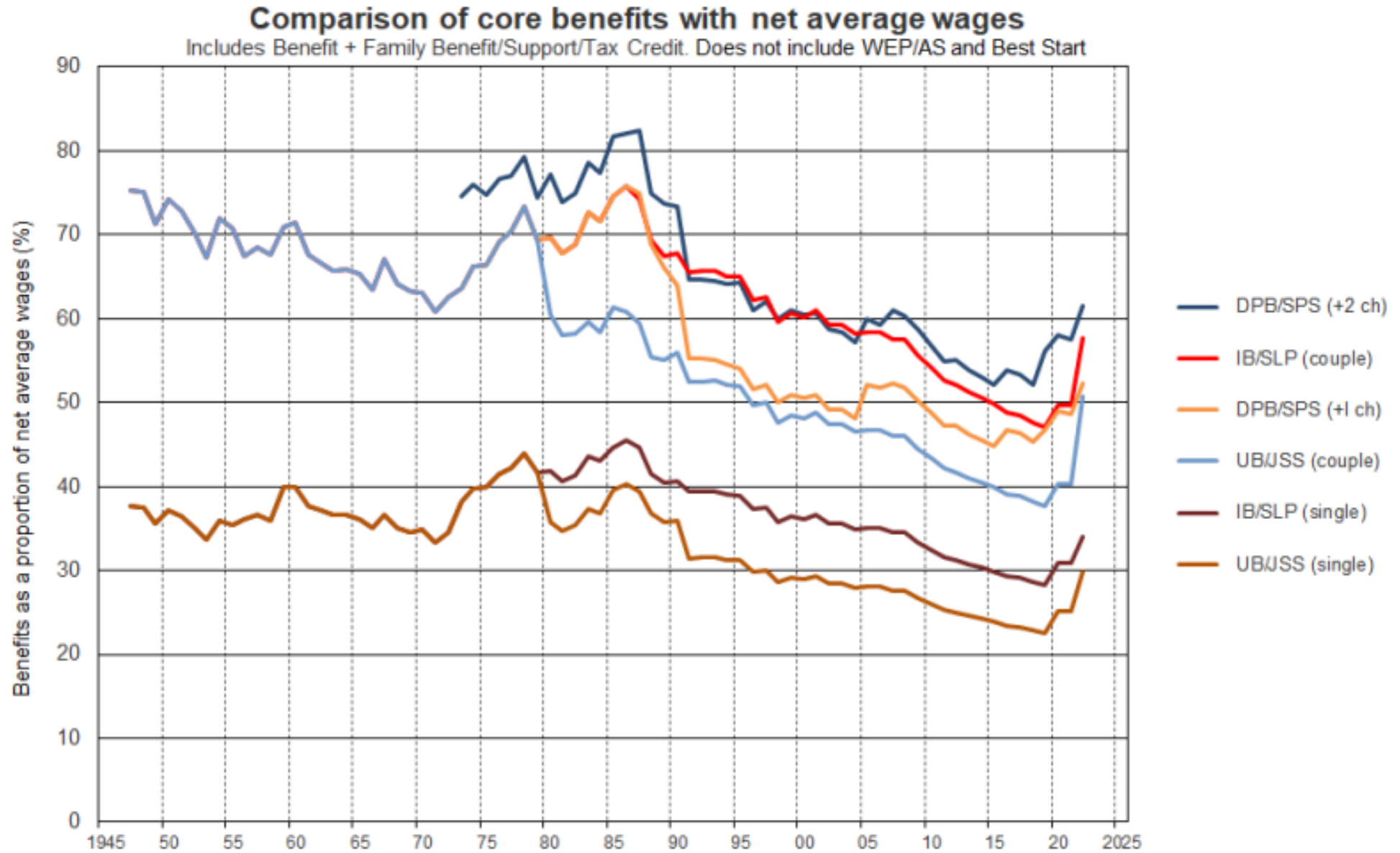
Inflation for the richest (highest-spending) New Zealanders

20%

Inflation for the poorest (lowest-spending) New Zealanders

35%

Climbing the Mountain

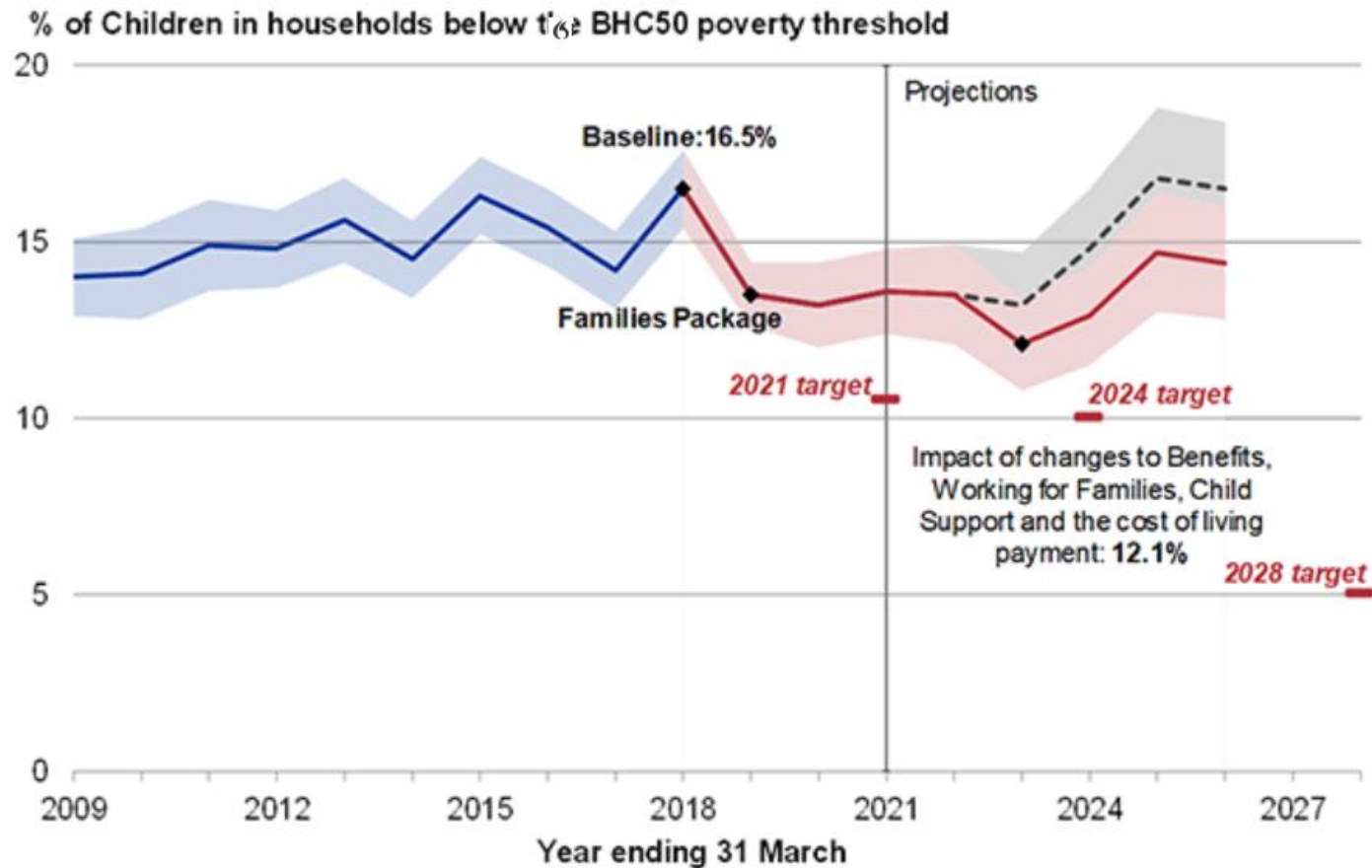


The mountain in reverse

BHC50

Before-housing-cost, moving-line measure

How many households have much lower incomes than middle-income households?



The future

Already in prospect

Fair Pay Agreements

Social Insurance

And then...

Kids Kiwisaver?

More public housing?

A wealth tax?

An essential book
for our times.
— Hautahi Kingi

TOO MUCH MONEY

**MAX
RASHBROOKE**

How Wealth Disparities
are Unbalancing
Aotearoa New Zealand

