

Update and Extension of New Zealand Estimates of Top Shares

Anthony B. Atkinson

January 2012



Update and extension of New Zealand estimates of top shares

Author: Anthony B. Atkinson

Methodological Notes:

I have followed exactly the same procedure as described for the years from 2000 in the original chapter (Atkinson and Leigh, 2007), apart from the 2009 estimates which are provisional (on account of the approximate control total for income):

a) The income distribution data are given in an XLS file on the Inland Revenue website, covering the years 2001 to 2010; it should be noted that 2010 refers to the year ending 31 March 2010, and we have called this 2009 (see footnote 3 on page 334); the data are given in great detail (172 ranges!), so the interpolation error is tiny; at the same time the top range includes some 0.4 per cent, so that we cannot estimate the share of the top 0.1 per cent;

b) In Atkinson and Leigh (2007, page 336) we used the total taxpayers from the IR data for the most recent years; I have followed this (and have not calculated the total number of adults);

c) Total income is based on the Household Income and Outlay account in the national accounts (Table 1.5), as described on pages 355-357; this table bears a “caveat”: in the “absence of a full set of institutional sector accounts, caution should be exercised in interpreting the results”; no figure is available for 2009, and I have increased the total by the percentage increase in gross national income (Table 1.2); as in Atkinson and Leigh (page 337), I have taken 95%.

The data go back to 2000 and the resulting estimates differ slightly from those published earlier (the largest difference is for 2005). The series for the top 0.1 per cent is not given from 1990 to 2009 as it involves (more than minimal) extrapolation into the open top interval. For a comparison of old and new series, see Table 1.

Reference

Atkinson, Anthony B. and Leigh, Andrew (2007). The Distribution of Top Incomes in New Zealand; in Atkinson, A. B. and Piketty, T. (editors) *Top Incomes over the Twentieth Century. A Contrast Between Continental European and English-Speaking Countries*, Oxford University Press, chapter 8, pp. 333-364.

Table 1. Comparison between old and revised series (22 Jan 2012)^(a)

	Income control		Number of tax units ^(b)		Top 10%		Top 5%		Top 1%		Top 0.5%		Top 0.1%	
	Nominal million NZ Dollars old	new	old	new	income share	income share %	income share	income share %	income share	income share %	income share	income share	income share	income share
1990	54,657	54,657	2,658	2,658	31.12	20.41	8.21	5.66	2.33	31.12	20.41	8.21	5.66	
1991	54,179	54,179	2,688	2,688	31.48	20.53	7.96	5.37	2.08	31.48	20.53	7.96	5.37	
1992	54,554	54,554	2,717	2,717	32.49	21.32	8.40	5.71	2.35	32.49	21.32	8.40	5.71	
1993	57,023	57,023	2,748	2,748	32.99	21.86	8.76	5.94	2.38	32.99	21.86	8.76	5.94	
1994	61,084	61,084	2,785	2,785	32.86	22.06	9.00	6.12	2.49	32.86	22.06	9.00	6.12	
1995	65,632	65,632	2,826	2,826	32.62	21.97	8.98	6.11	2.51	32.62	21.97	8.98	6.11	
1996	69,888	69,888	2,873	2,873	32.18	21.69	8.92	6.12	2.51	32.18	21.69	8.92	6.12	
1997	72,279	72,279	2,913	2,913	32.57	22.03	9.16	6.32	2.66	32.57	22.03	9.16	6.32	
1998	73,677	73,677	2,939	2,939	34.39	23.58	10.21	7.23	3.28	34.39	23.58	10.21	7.23	
1999	77,520	77,520	2,958	2,958	38.68	27.74	13.77		5.45	38.68	27.74	13.77		
2000	79,226	76,565	2,980	3,012	32.26	21.20	8.25	5.50	2.16	32.84	21.51	8.34	5.55	
2001	84,160	81,067	3,007	3,076	32.79	21.76	8.76	5.98	2.51	33.34	22.00	8.72	5.90	
2002	86,529	83,563	3,061	3,131	32.52	21.56	8.78	6.09	2.55	33.38	21.99	8.78	5.97	
2003		89,538		3,192	33.01	22.17	9.45		3.10	33.79	22.50	9.33	6.51	
2004		95,657		3,266	33.55	22.71	9.96		3.55	34.26	23.04	9.93	7.13	
2005		101,510		3,367	32.45	21.69	8.98		2.66	35.33	23.47	9.48	6.47	
2006		108,329		3,367						33.11	21.99	8.89	6.06	
2007		118,926		3,425						32.06	21.30	8.54	5.81	
2008		121,603		3,445						32.90	21.90	8.89	6.17	
2009		127,196		3,436						31.33	20.72	8.22	5.62	

Notes:

(a) Differences in series in grey.

(b) Individuals aged 15+ until 1999; total taxpayers from 2000.