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Trans and non-binary New Zealanders earn less and are more likely to be unemployed – new study

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Trans and non-binary people in New Zealand and elsewhere can be the targets of harmful rhetoric and violence.

Recent research found one in five trans and non-binary people in New Zealand were threatened with physical violence in the past four years.

Globally, trans and non-binary people still struggle to gain legal recognition. In the United States, their identities and rights are being actively eroded.

But we still don't know a lot about the economic, employment and financial experiences of this community. Recent legal changes around how gender is administratively recorded in New Zealand may change this, however.

Our new research uses the growing body of data from a wide range of government agencies to look at the economic outcomes for people belonging to the trans and non-binary community – in particular in terms of employment and wage gaps.

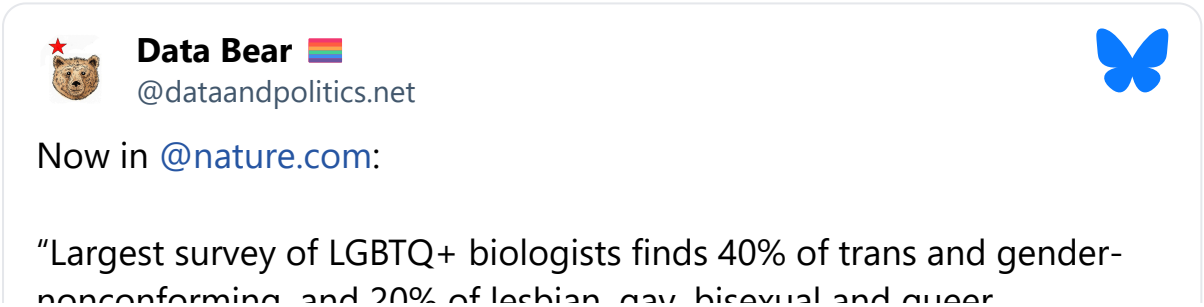
The results should be a source of some concern for this already marginalised group.

Identifying the community

Our study focused on transgender individuals whose gender identity differs from the sex they were assigned at birth, as well as those who do not identify as exclusively male or exclusively female. Different terms exist for this group, such as non-binary, transgender person of another gender, or gender-diverse.

Under the previous Labour government, New Zealand took steps to recognise people of diverse sexual orientations and gender identities. For example, the Births, Deaths, Marriages, and Relationships Registration Act 2021 introduced a new self-identification process for amending the sex on birth certificates.

And since 2013, Waka Kotahi (the New Zealand Transport Agency) has allowed people to define the gender they identify with on their driver license application.



We used data from the Integrated Data Infrastructure (IDI), a database hosted by Stats New Zealand. The IDI uses data from agencies such as the Department of Internal Affairs, NZTA and Inland Revenue.

Stats NZ identifies and links the same individuals across different data sets using a particular characteristics (for example, name and birth date). Each person is then assigned a unique identifier.

To identify transgender and non-binary people, we used two datasets. The first was birth records, which contain assigned sex at birth. The second was self-reported gender in driver license applications.

We compared the driver license gender with birth-record sex to identify cisgender people (those whose birth record sex matches their driver license gender), transgender people (those whose birth record sex does not match their driver license gender which is either male or female), and gender-diverse people (those whose driver license gender is gender diverse).

Our research then mapped out socio-demographic characteristics of transgender and gender diverse people compared to cisgender people.

Measuring the gaps

Looking at the data, we found transgender and gender-diverse people were, on average, younger, less likely to be married or have children, and more often living in major urban areas when compared to cisgender people.

In addition, a substantially higher share of gender-minority people are prescribed medication for anxiety or depression.

Using various datasets from the IDI, we used empirical models to estimate two different economic outcomes for the period April 2022 to March 2023.

The first measured whether someone was categorised as "not in employment, education or training" (NEET). Our second indicator looked at differences in earnings from wages and salary.

We found individuals who identified as gender-minority were significantly less likely to be in employment, training or education compared to cisgender people. Transgender women and gender-diverse individuals were 10-12 percentage points more likely to be NEET than similarly situated cisgender men.

These trends also extended to earnings. Gender-diverse people earned around 60% less than cisgender men – in part due to less stable employment patterns.

Our findings overlap with results reported in overseas, which also show transgender earnings gaps.

More research to come

Our study has limitations, of course. For example, it relies on data from those who have driver licences, which can vary by age or location. In 2018, rural residents aged 25-64 had higher full-licence rates (88%) compared to their urban counterparts (77%).

Moreover, not all transgender and gender-diverse people change their gender when applying for or renewing their driver license.

But the 2023 Census questionnaires on sexual orientation, gender identity and variation of sex characteristics presents the opportunity to learn more and establish a much needed, robust evidence base about this population.

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