

# Oxfam Hong Kong Poverty Report: Employment and Poverty in Hong Kong Families (2003-2012)

## 1. INTRODUCTION

Poverty in the workforce – the plight of the “working poor” – is an issue that Oxfam Hong Kong has been addressing for years through research, advocacy, public education and support for community projects. We see that among the swelling ranks of the poor and the near-poor are people who have worked hard all their lives, but are still unable to ensure a decent standard of living for their families. The government is reviving the Commission on Poverty (CoP) to address the livelihood problems of Hong Kong’s poor, which include the working poor, the elderly, children, women and ethnic minorities. Oxfam Hong Kong has long been concerned about these five disadvantaged groups and, through research and advocacy, has proposed various poverty-alleviation measures to the CoP and the government.

Using data from the Census and Statistics Department, Oxfam found that the situation of Hong Kong’s poor working families has persistently deteriorated over the past 10 years. It has concluded that changes are urgently needed and therefore has set forth policy proposals for the Hong Kong Government to improve the situation of the working poor.

## 2. EXECUTIVE SUMMARY

Between 2003 and 2011, Hong Kong’s per capita gross domestic product, or GDP, grew from HK\$183,018<sup>1</sup> to HK\$257,810<sup>2</sup>. During the same time period, the number of people living in poor households where at least one family member was employed also increased, from 608,900 to 658,100. In 2012 Q2, the monthly median income of the richest 10% of households was 26.1 times that of the poorest 10% of households. In other words, the monthly income of the richest 10% of households was equivalent to 26 months’ income for the poorest 10% of households. In 2003 the top 10% of households had 23.3 times the income of the lowest 10%. Not only does Hong Kong face a serious income gap, but the problem is getting worse.

Our research shows that of all households with at least one employed person, about 10%, or 192,500 households, had an income of less than half the median income of all such households in 2012 Q2. Between 2003 and 2012 Q2, the number of households with an income below this marker increased by 11.6%, from 174,000 to 194,100. The majority of these households are comprised of families of three or four members.

In working poor households, each employed member on average supports two non-working members, while among average working households, each employed member supports only 0.8 non-working members. This reveals the need for further income protection for poor families in addition to the minimum wage.

The government has taken some steps to offer relief to poor families, including its Comprehensive Social Security Assistance (CSSA) programme, Work Incentive Transport Subsidy Scheme, Neighbourhood Support Child Care Project, After School Care Programme (ASCP), Short Term Food Assistance Project (i.e. Foodbanks) and so on. However, these measures are far from adequate. Oxfam Hong Kong urges the government to take immediate action, including an annual review of the minimum wage as well as other income-protection policies, in order to eliminate

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<sup>1</sup> Census and Statistics Department, Special Report on Gross Domestic Product 2012  
<http://www.censtatd.gov.hk/hkstat/sub/sp250.jsp?productCode=B1030003>

<sup>2</sup> Same as footnote (1)

poverty among working families. In the long run, a Low-Income Family Allowance should be explored as a form of direct income support, as a supplementary provision to the minimum wage.

### **3. POVERTY TRENDS**

#### **3.1 GENERAL POVERTY TRENDS**

##### **3.1.1. One in every six people in Hong Kong lives under the poverty line**

Lacking an official poverty line, we can define a household whose monthly income is less than 50% of the median income for all households of corresponding size as a “poor household”. Over the past 10 years, the number of poor households in Hong Kong has remained at over 400,000, while the number of poor people has remained at more than 1,100,000, accounting for 20% of the total population. The poor population increased from 1,126,000 persons (403,800 households) in 2003 to 1,176,500 persons (451,000 households) in 2012 Q2. This corresponds to a poverty rate of about 17.6%. This means one in every six people in Hong Kong is living under the poverty line.

##### **3.1.2 The monthly median household income of the richest 10% is 26 times that of the poorest 10%**

A comparison of the median monthly income of the richest 10% of households with the poorest 10% in 2012 Q2 revealed that the former was 26.1 times that of the latter. In other words, the monthly income of the richest 10% of families is equivalent to 26 months’ income for the poorest 10% of families. This difference was 23.3 times in 2003. Although the salaries of workers in the lowest income group have increased gradually, the growth rate is lower than that for the highest income group. Thus, the income gap has not narrowed. The median monthly income of the poorest 10% of households increased from \$3,000 in 2003 to \$3,100 in 2011, and by another roughly 10% in 2012 Q2, to \$3,400. However, the median monthly income of the richest 10% of households increased by 30% between 2003 and 2012 Q2, from \$70,000 to \$88,800. This shows that the income gap in Hong Kong remains very serious. (See Appendix: Table 2)

##### **3.1.3 Income disparity in Hong Kong is wider than in Singapore or the United States**

The Census and Statistics Department’s “Thematic Report: Household Income Distribution in Hong Kong” compared Hong Kong’s income disparity with that in five countries – Canada, Britain, the United States, Singapore and Australia. Hong Kong’s Gini coefficient (the best-known measure of income disparity, in which 0 represents equality and 1 the largest gap) is 0.537; Singapore’s is 0.482 and the United States’ is 0.469.

#### **3.2 TRENDS AMONG THE WORKING POOR**

This report defines a “working household” as a household with at least one employed member (excluding foreign domestic helpers); a “working poor household” as a household with at least one employed member (excluding foreign domestic helpers) and with a monthly household income less than 50% of the median income for all households of corresponding size.

##### **3.2.1 More poor families**

In 2012 Q2, of all working households, 194,100 were poor; this represents a poverty rate of 10.0% among working households. From 2003 to 2012 Q2, among households with at least one person employed, the number of poor households increased by 10%, from 174,000 to 194,100. Working households with three or more family members are more likely than smaller households to be poor. For instance, in 2011, the poverty rates for households with three persons, four persons, five persons and six or more persons were 10.9%, 12.5%, 12.4% and 11%, respectively. All of them were higher than the overall working poverty rate, at 9.2%. (See Appendix 1: Table 3)

When we shift the spotlight to the total number of people living in these households, we can see that the poverty rate has risen from 10.8% in 2003 to 11.2% in 2012 Q2, with the number of people increasing from 608,900 to 658,100 during that period. That means that one of every nine people living in households with at least one working member is trapped in poverty. (See Appendix: Table 5)

### **3.2.2 Large families suffer most**

Statistics from 2003 to 2012 Q2 show that among poor households with at least one working member, households with three or four members make up the largest number, each accounting for over 30%. Their total share is 60% to 70%. However, among working households in general, households with two, three or four members each account for over 20% of the total. Their total share is 75% to 80%. (See Appendix 1: Table 4)

### **3.2.3 Employed members of poor families bear heavier burdens**

Examining the family composition of poor households with at least one worker reveals that the proportion of dependents (i.e. those aged below 15, or 65 and above) is higher than in working households in general. Among working poor households, the proportion of households with dependents aged six or below generally remains about 20%, while among working households in general this proportion is about 13% (See Appendix: Table 6). Likewise, among working poor households, the proportion with dependents aged below 15 or aged 65 and above generally remains at 65%, while among working households overall, this proportion is only 45%. (See Appendix 1: Table 9)

These figures suggest that working poor households bear heavier burdens in terms of caring for dependents. On average, each employed member of these households must support two non-working members. However, among working families in general, each employed member supports an average of 0.8 non-working members (See Appendix 1: Table 10). We suspect that since working poor families do not have the resources to employ domestic helpers to look after elderly members, and since the quota of subsidized child care provided by the government is inadequate, some family members must take on the role of carer at home and thus cannot join the workforce.

### **3.2.4 A large portion of households of the working poor are living below CSSA level**

In 2012 Q2, among 194,100 working poor families, 113,500 households with at least one worker had a monthly income of less than the average CSSA payment for a household of corresponding size; this situation describes 58.5% of the total households of the working poor. However, a majority of these households, though most would qualify, are actually not on CSSA. In August 2012, only 11,067 low-income households were on CSSA, according to data from the Department of Social Welfare, representing just 9.8% of households with at least one worker that are currently living below the CSSA standard. (See Appendix 1: Table 12)

## **3.3. The population at risk of poverty**

This study defines “households at risk of poverty” as households whose monthly income is between 50% and 60% of the median income for all households of corresponding size. “Working households at risk of poverty” are households with at least one employed member (excluding foreign domestic helpers) and with an income equivalent to between 50% and 60% of the median income for households of corresponding size.

### **3.3.1 About 190,000 households or 470,000 persons are at risk of poverty**

In 2011 and 2012 Q2, there were 618,000 and 642,500 households, respectively, with a monthly income less than 60% of the median income of all households of corresponding size. Excluding poor households (i.e. households with a monthly income less than 50% of the median income of households of corresponding size), there were 182,600 households (490,500 persons) and 191,500 households (477,700 persons) at risk of poverty. These account for 8% of all households. (See Appendix 1: Table 13)

### **3.3.2. About 120,000 working households, or 380,000 persons, are at risk of poverty**

In 2011 and 2012 Q2, among working households, there were 300,700 and 313,000, respectively, with incomes less than 60% of the median income for households of corresponding size. Excluding the working poor households (i.e. those with at least one employed member and with a monthly income less than 50% of the median income of households of corresponding size), there were 124,200 households (418,200 persons) and 118,900 households (387,100 persons) at risk of poverty. These account for 6.5% of all working households. (See Appendix 1: Table 13)

## **4. INEFFECTIVE GOVERNMENT POLICIES**

The government has adopted a range of policies to alleviate pressure on working poor households and help them meet their employment needs. However, these measures are insufficient and ineffective in combating the poverty faced by families of the working poor.

### **4.1 Poverty alleviation policies do not aim to reduce poverty**

Since the government has never set a poverty line, its evaluation of anti-poverty measures focuses on the number of applicants and beneficiaries. It does not use poverty reduction as an indicator to evaluate its policies – that is, to determine how many people are lifted out of poverty through its poverty-alleviation policies. Thus it is unknown if those policies are effective. In October 2012, the government announced that the Commission on Poverty would formulate an official poverty line. This is an important step in alleviating poverty for two reasons: first, a clear poverty line makes it possible to accurately measure the number and determine the characteristics of the poor population, to effectively target specific groups and prevent those on the brink of poverty from falling into the poverty trap. Second, it provides a means of monitoring whether the government's poverty-alleviation policies are actually reducing the poor population.

After setting the poverty line, the government should also set poverty reduction as one of the indicators for evaluating its policies. Also, it should set the goal of reducing the poor population by a certain percentage within a certain period, and regularly monitor the effectiveness of its anti-poverty work.

### **4.2 Minimum Wage Bill excludes family needs**

The implementation of a statutory minimum wage in May 2011 opened a new page for the protection of Hong Kong workers. Yet, in determining the minimum wage level, the legislation did not take into account the family needs of grassroots workers. In fact, the minimum wage alone is not sufficient to cover the family expenses of many low-income workers. Thus it is inadequate to lift their families out of poverty.

### **4.3 Negative labelling of CSSA denies the needy a safety net**

In his Policy Address of 2008-09, Hong Kong's Chief Executive announced that a minimum wage would be established. However he deliberately defined the minimum wage as providing a reasonable reward for low-income workers, rather than as a way of meeting their basic family needs. The government claims that its current social security system (CSSA) provides sufficient support for low-income families.

One year after the minimum wage was implemented, in 2012 Q2, there were still 113,500 working poor households with a monthly income lower than that provided by CSSA. Yet only 9.8% of these households (11,067) were on CSSA. In our CSSA Perception Surveys conducted in 2007 and 2009<sup>3</sup>, we found that over half the people we interviewed had a negative perception of CSSA recipients (e.g. long-term recipients of CSSA would become dependent on welfare and therefore lazy, or that the level of support would discourage recipients from looking for work, etc.) These perceptions prevent CSSA from providing an effective basic welfare net.

## **5. OXFAM HONG KONG RECOMMENDATIONS**

Oxfam Hong Kong maintains that all working people have the right to a decent minimum standard of living for themselves and their families. The implementation of a minimum wage may reduce the prevalence of poverty among the employed to a certain extent, but this measure alone may not be adequate to lift families out of poverty. In fact, 194,100 working households are still trapped in poverty. It is intolerable to allow a significant portion of the population that is contributing to the workforce in our society to remain in desperate straits for extended periods, to let them remain marginalized with regard to mainstream society, and to put their futures and those of their families in jeopardy. In order to correct this situation we recommend that the Hong Kong Government consider the following policy suggestions:

### **5.1 Poverty reduction as the prime index for monitoring the impact of anti-poverty policies**

- Oxfam recommends that the government take both income and expenditure into account in measuring poverty. We suggest that the poverty line be set at a certain percentage of the median income of households of corresponding size. The Organization for Economic Cooperation and Development (OECD) defines poverty as an income at or less than 50% of the median income for households of corresponding size. The United Kingdom, a member of the OECD, closely monitors households with incomes between 50% and 60% of the median income of households of corresponding size, as they are comparatively fragile and vulnerable to falling into poverty when the economy is weak. It is advisable to have policies that specifically target this group to strengthen their economic resilience.
- Regarding expenditures, Oxfam suggests that the government identify a standard budget required for households of varying sizes to meet basic consumption needs and maintain a decent standard of living. This can be done by identifying a basket of goods required to meet a household's monthly needs and calculating the cost of the basket according to market prices. This total represents a standard household budget. Families whose income is less than the standard budget can be classified as poor households.
- Once a poverty line is determined, it is important to set specific poverty reduction targets, such as raising a certain number or percentage of working poor families out of poverty within a certain time frame. Moreover, continuous monitoring is necessary.

### **5.2 Minimum Wage**

- The statutory minimum wage should be subject to annual review.
- The minimum wage should be adjusted annually for inflation, to ensure that the same level of purchasing power is maintained. Moreover, the wage should ensure that full-time workers are paid more than the amount they would be entitled to under the CSSA, otherwise it offers no incentive for people to work.

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<sup>3</sup> Oxfam commissioned two surveys on the 'Perception and Utilization of the CSSA: A Study on the Views of the Public and Welfare Recipients', in 2007 and 2009, which were conducted by Hong Kong Polytechnic University. The surveys examined general perceptions and public knowledge of the CSSA system and its recipients.

### **5.3 Low-Income Family Allowance**

- The government currently implements a number of poverty-alleviation schemes, including the minimum wage, the Comprehensive Social Security Allowance Scheme, the Work Incentive Transport Subsidy Scheme, etc. However, these measures are far from adequate to combat poverty. (See Appendix 2) Therefore, there are still 194,100 households with working members suffering from poverty. Oxfam urges the government to explore the feasibility of providing a Low-Income Family Allowance to ensure that people who have worked hard all their lives are able to maintain a decent standard of living for their families without relying on CSSA.
- Families that are considering applying for CSSA, those that are currently receiving low-income CSSA but wish to leave the social security net, and those who refuse to apply for CSSA to avoid negative labeling, should have an option for receiving help from the government with dignity in order to maintain a basic standard of living. This could help relieve inter-generational poverty by providing families with more resources to meet their children's educational needs.

### **5.4 Promote a positive public image of CSSA recipients**

- ◆ The government should take positive steps to explain to the public the vital importance of low-income CSSA, to encourage those whose earnings fall below subsistence level to make use of the system.

## **Appendix 1**

### **Definitions:**

*Working household:* a domestic household with at least one employed person (excluding foreign domestic helpers)

*Poor household:* a domestic household (excluding foreign domestic helpers) with monthly household income less than half the median monthly household income for households of corresponding size

*Working poor household:* a domestic household with a monthly household income less than half the median monthly income for households of corresponding size with at least one employed person (excluding foreign domestic helpers)

**Table 1: Number of poor households and number of persons in poor households (2003 to 2012 Q2)**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 Q2</b>
<b>No. of poor households</b>	403 800	413 600	425 200	444 100	440 600	442 300	436 400	415 300	435 400	451 000
<b>No. of persons in poor households (A)</b>	1 126 000	1 140 000	1 126 500	1 153 600	1 145 800	1 157 500	1 154 000	1 100 400	1 128 100	1 176 500
<b>Total population (B)</b>	6 373 100	6 415 600	6 433 500	6 421 000	6 474 300	6 520 000	6 533 400	6 576 700	6 623 800	6 666 300
<b>Poverty rate (A/B) (%)</b>	<b>17.7</b>	<b>17.8</b>	<b>17.5</b>	<b>18.0</b>	<b>17.7</b>	<b>17.8</b>	<b>17.7</b>	<b>16.7</b>	<b>17.0</b>	<b>17.6</b>

Source: Census and Statistics Department

**Table 2: Comparison of median monthly household income of richest 10% to poorest 10% (2003 to 2012 Q2)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
Decile Group	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)	Median monthly household income (HK\$)
10 <sup>th</sup> (richest)	70,000	68,000	70,000	70,000	75,000	78,500	77,000	80,000	82,700	88,800
9 <sup>th</sup>	40,000	40,000	40,000	40,000	42,300	45,000	43,700	45,000	48,000	50,000
8 <sup>th</sup>	29,000	29,500	29,200	30,000	30,600	32,000	31,400	32,000	35,000	37,000
7 <sup>th</sup>	22,200	22,500	22,700	23,500	24,500	25,300	25,000	25,000	27,000	29,500
6 <sup>th</sup>	18,000	18,000	18,000	19,000	19,800	20,000	20,000	20,000	21,500	23,000
5 <sup>th</sup>	14,000	14,400	14,500	15,000	15,300	16,000	15,500	16,000	17,000	18,500
4 <sup>th</sup>	11,000	11,100	11,400	11,700	12,000	12,600	12,000	12,000	13,000	14,100
3 <sup>rd</sup>	8,500	8,600	8,700	8,800	9,000	9,500	9,000	9,000	10,000	10,200
2 <sup>nd</sup>	5,900	6,000	6,000	6,000	6,200	6,500	6,000	6,100	6,500	7,000
1 <sup>st</sup> (poorest)	3,000	3,000	3,000	3,100	3,100	3,200	3,000	3,000	3,100	3,400
<b>Overall</b>	<b>15,700</b>	<b>16,000</b>	<b>16,000</b>	<b>16,700</b>	<b>17,500</b>	<b>18,100</b>	<b>17,700</b>	<b>18,000</b>	<b>19,600</b>	<b>20,500</b>
<b>Ratio of the richest 10% (10<sup>th</sup> decile group) to the poorest 10% (1<sup>st</sup> decile group)</b>	<b>23.3</b>	<b>22.7</b>	<b>23.3</b>	<b>22.6</b>	<b>24.2</b>	<b>24.5</b>	<b>25.7</b>	<b>26.7</b>	<b>26.7</b>	<b>26.1</b>

Source: Census and Statistics Department



**Table 3: Number of working poor households and poverty rate by household size (2003 to 2012 Q2)**

Household size	2003			2004			2005			2006			2007		
	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)
1	4 000	165 300	2.4	4 600	164 800	2.8	4 400	190 600	2.3	4 600	201 200	2.3	4 300	197 300	2.2
2	31 800	360 400	8.8	31 600	373 700	8.5	30 600	393 300	7.8	37 800	407 300	9.3	36 800	418 400	8.8
3	51 800	466 400	11.1	57 400	488 200	11.8	54 800	498 400	11.0	60 800	510 100	11.9	65 900	522 700	12.6
4	56 800	488 200	11.6	59 900	495 600	12.1	56 000	493 200	11.4	59 900	491 900	12.2	59 500	500 000	11.9
5	20 700	181 900	11.4	19 600	180 800	10.8	20 600	168 900	12.2	17 500	158 100	11.1	19 800	159 500	12.4
6+	8 800	74 600	11.8	8 400	67 000	12.5	63 00	62 900	10.0	63 00	60 700	10.4	6 100	56 100	10.9
<b>Overall</b>	<b>174 000</b>	<b>1 736 900</b>	<b>10.0</b>	<b>181 700</b>	<b>1 770 200</b>	<b>10.3</b>	<b>172 600</b>	<b>1 807 300</b>	<b>9.6</b>	<b>186 900</b>	<b>1 829 200</b>	<b>10.2</b>	<b>192 300</b>	<b>1 854 000</b>	<b>10.4</b>

  

Household size	2008			2009			2010			2011			2012 Q2		
	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)	Working poor household (A)	Employed household (B)	Poverty rate (%) (A/B)
1	3 700	196 500	1.9	3 700	190 900	1.9	3 800	193 400	2.0	3 400	199 200	1.7	4 600	202 000	2.3
2	34 600	427 800	8.1	30 200	431 400	7.0	23 400	431 800	5.4	25 100	448 100	5.6	29 600	454 300	6.5
3	59 800	540 800	11.1	66 500	544 400	12.2	61 000	559 200	10.9	62 900	579 400	10.9	71 900	589 900	12.2
4	63 300	494 900	12.8	64 000	489 700	13.1	59 400	490 900	12.1	61 300	488 700	12.5	67 700	486 600	13.9
5	20 800	154 800	13.4	16 000	149 000	10.7	17 800	148 700	12.0	18 000	145 500	12.4	15 300	144 700	10.6
6+	7 900	57 200	13.8	6 700	57 400	11.7	6 100	52 500	11.6	5 800	52 500	11.0	5 100	54 000	9.4
<b>Overall</b>	<b>190 000</b>	<b>1 871 900</b>	<b>10.2</b>	<b>187 100</b>	<b>1 862 800</b>	<b>10.0</b>	<b>171 400</b>	<b>1 876 600</b>	<b>9.1</b>	<b>176 500</b>	<b>1 913 400</b>	<b>9.2</b>	<b>194 100</b>	<b>1 931 500</b>	<b>10.0</b>

Source: Census and Statistics Department

**Table 4: Ratio of working poor households and working households by household size (2003 to 2012 Q2)**

Household size	2003		2004		2005		2006		2007	
	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)
1	2.3	9.5	2.5	9.3	2.5	10.5	2.5	11.0	2.2	10.6
2	18.3	20.7	17.4	21.1	17.7	21.8	20.2	22.3	19.1	22.6
3	29.8	26.9	31.6	27.6	31.7	27.6	32.5	27.9	34.3	28.2
4	32.6	28.1	33.0	28.0	32.4	27.3	32.0	26.9	30.9	27.0
5	11.9	10.5	10.8	10.2	11.9	9.3	9.4	8.6	10.3	8.6
6+	5.1	4.3	4.6	3.8	3.7	3.5	3.4	3.3	3.2	3.0
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

  

Household size	2008		2009		2010		2011		2012 Q2	
	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)	Ratio of working poor households (%)	Ratio of working households (%)
1	1.9	10.5	2.0	10.2	2.2	10.3	1.9	10.4	2.4	10.5
2	18.2	22.9	16.1	23.2	13.7	23.0	14.2	23.4	15.2	23.5
3	31.5	28.9	35.5	29.2	35.6	29.8	35.6	30.3	37.0	30.5
4	33.3	26.4	34.2	26.3	34.7	26.2	34.7	25.5	34.9	25.2
5	10.9	8.3	8.6	8.0	10.4	7.9	10.2	7.6	7.9	7.5
6+	4.2	3.1	3.6	3.1	3.6	2.8	3.3	2.7	2.6	2.8
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Census and Statistics Department

**Table 5: Number of persons living in working poor households and working households (2003 to 2012 Q2)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
<b>Number of persons living in working poor households (A)</b>	608 900	630 300	595 600	628 500	650 100	658 100	640 800	597 700	613 100	658 100
<b>Number of persons living in working households (B)</b>	5 621 200	5 688 600	5 688 900	5 689 400	5 755 800	5 790 100	5 755 400	5 777 700	5 847 900	5 892 100
<b>Poverty rate (A/B) (%)</b>	<b>10.8</b>	<b>11.1</b>	<b>10.5</b>	<b>11.0</b>	<b>11.3</b>	<b>11.4</b>	<b>11.1</b>	<b>10.3</b>	<b>10.5</b>	<b>11.2</b>

Source: Census and Statistics Department

**Table 6: Number of working poor households and working households with persons aged <=6 (2003 to 2012 Q2)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
<b>Working poor households</b>										
Number of working poor households with persons aged <=6 (A)	33 500	33 600	31 500	34 200	36 600	36 900	34 000	34 300	36700	39 500
Total number of working poor households (B)	174 000	181 700	172 600	186 900	192 300	190 000	187 100	171 400	176 500	194 100
% of working poor households with persons aged <=6 out of total no. of working poor households (A/B) (%)	<b>19.3</b>	<b>18.5</b>	<b>18.3</b>	<b>18.3</b>	<b>19.0</b>	<b>19.4</b>	<b>18.2</b>	<b>20.0</b>	<b>20.8</b>	<b>20.4</b>
<b>Working households</b>										
Number of working households with persons aged <=6 (A)	281 400	268 100	257 700	250 800	250 900	248 500	246 300	253 500	260 900	267 700
Total number of working households (B)	1 736 900	1 770 200	1 807 300	1 829 200	1 854 000	1 871 900	1 862 800	1 876 600	1 913 400	1 931 500
% of working households with persons aged <=6 out of total no. of working households (A/B) (%)	<b>16.2</b>	<b>15.1</b>	<b>14.3</b>	<b>13.7</b>	<b>13.5</b>	<b>13.3</b>	<b>13.2</b>	<b>13.5</b>	<b>13.6</b>	<b>13.9</b>

Source: Census and Statistics Department

**Table 7: Number of working poor households and working households with persons aged <15 (2003 to 2012 Q2)**

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
<b>Working poor households</b>	Number of working poor households with persons aged <15 (A)	88 800	90 700	86 300	91 200	93 800	97 200	89 900	80 900	85 900	89 900
	Total number of working poor households (B)	174 000	181 700	172 600	186 900	192 300	190 000	187 100	171 400	176 500	194 100
	% of working poor households with persons aged <15 out of total no. of working poor households (A/B) (%)	<b>51.0</b>	<b>49.9</b>	<b>50.0</b>	<b>48.8</b>	<b>48.8</b>	<b>51.2</b>	<b>48.0</b>	<b>47.2</b>	<b>48.7</b>	<b>46.3</b>
<b>Working households</b>	Number of working households with persons aged <15 (A)	630 200	619 200	605 500	596 400	602 200	590 900	574 600	558 200	550 900	535 700
	Total number of working households (B)	1 736 900	1 770 200	1 807 300	1 829 200	1 854 000	1 871 900	1 862 800	1 876 600	1 913 400	1 931 500
	% of working households with persons aged <15 out of total no. of working households (A/B) (%)	<b>36.3</b>	<b>35.0</b>	<b>33.5</b>	<b>32.6</b>	<b>32.5</b>	<b>31.6</b>	<b>30.8</b>	<b>29.7</b>	<b>28.8</b>	<b>27.7</b>

Source: Census and Statistics Department

**Table 8: Number of working poor households and working households with persons aged  $\geq 65$  (2003 to 2012 Q2)**

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
<b>Working poor households</b>	Number of working poor households with persons aged $\geq 65$ (A)	44 100	46 100	43 200	46 000	48 100	44 900	40 700	40 200	42 800	49 700
	Total number of working poor households (B)	174 000	181 700	172 600	186 900	192 300	190 000	187 100	171 400	176 500	194 100
	% of working poor households with persons aged $\geq 65$ out of total no. of working poor households (A/B) (%)	<b>25.3</b>	<b>25.4</b>	<b>25.0</b>	<b>24.6</b>	<b>25.0</b>	<b>23.6</b>	<b>21.8</b>	<b>23.5</b>	<b>24.2</b>	<b>25.6</b>
<b>Working households</b>	Number of working households with persons aged $\geq 65$ (A)	354 600	367 700	360 500	355 800	359 900	363 000	361 800	364 700	380 600	394 600
	Total number of working households (B)	1 736 900	1 770 200	1 807 300	1 829 200	1 854 000	1 871 900	1 862 800	1 876 600	1 913 400	1 931 500
	% of working households with persons aged $\geq 65$ out of total no. of working households (A/B) (%)	<b>20.4</b>	<b>20.8</b>	<b>19.9</b>	<b>19.5</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.9</b>	<b>20.4</b>

Source: Census and Statistics Department

**Table 9: Number of working poor households and working households with persons aged <15 or >=65 (2003 to 2012 Q2)**

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q2
<b>Working poor households</b>	Number of working poor households with persons aged <15 or >=65 (A)	120 600	124 300	117 900	125 700	129 200	128 200	119 500	109 800	116 200	125 200
	Total number of working poor households (B)	174 000	181 700	172 600	186 900	192 300	190 000	187 100	171 400	176 500	194 100
	% of working poor households with persons aged <15 or >=65 out of total no. of working poor households (A/B) (%)	<b>69.3</b>	<b>68.4</b>	<b>68.3</b>	<b>67.3</b>	<b>67.2</b>	<b>67.5</b>	<b>63.9</b>	<b>64.1</b>	<b>65.8</b>	<b>64.5</b>
<b>Working households</b>	Number of working households with persons aged <15 or >=65 (A)	897 100	899 600	882 900	870 800	881 900	873 100	859 900	849 100	858 600	859 400
	Total number of working households (B)	1 736 900	1 770 200	1 807 300	1 829 200	1 854 000	1 871 900	1 862 800	1 876 600	1 913 400	1 931 500
	% of working households with persons aged <15 or >=65 out of total no. of working households (A/B) (%)	<b>51.6</b>	<b>50.8</b>	<b>48.9</b>	<b>47.6</b>	<b>47.6</b>	<b>46.6</b>	<b>46.2</b>	<b>45.2</b>	<b>44.9</b>	<b>44.5</b>

Source: Census and Statistics Department

**Table 10: Family support ratio of working poor households and working households (2003 to 2012 Q2)**

Year	Working poor households				Working households			
	No. of persons in working poor households (A)	No. of employed persons in working poor households (B)	No. of unemployed persons in working poor households (A-B)	Family support ratio* (B)/(A-B)	No. of persons in working households (A)	No. of employed persons in working households (B)	No. of unemployed persons in working households (A-B)	Family support ratio* (B)/(A-B)
2003	608 900	198 600	410 300	0.48 = <b>1:2.1</b>	5 621 200	2 945 200	2 676 000	1.10 = <b>1:0.9</b>
2004	630 300	209 900	420 400	0.50 = <b>1:2.0</b>	5 688 600	3 028 900	2 659 700	1.14 = <b>1:0.9</b>
2005	595 600	199 800	395 800	0.50 = <b>1:2.0</b>	5 688 900	3 084 700	2 604 200	1.18 = <b>1:0.8</b>
2006	628 500	214 800	413 700	0.52 = <b>1:1.9</b>	5 689 400	3 129 300	2 560 100	1.22 = <b>1:0.8</b>
2007	650 100	222 800	427 300	0.52 = <b>1:1.9</b>	5 755 800	3 201 000	2 554 800	1.25 = <b>1:0.8</b>
2008	658 100	220 600	437 500	0.50 = <b>1:2.0</b>	5 790 100	3 233 400	2 556 700	1.26 = <b>1:0.8</b>
2009	640 800	215 600	425 200	0.51 = <b>1:2.0</b>	5 755 400	3 185 800	2 569 600	1.24 = <b>1:0.8</b>
2010	597 700	194 500	403 200	0.48 = <b>1:2.1</b>	5 777 700	3 187 400	2 590 300	1.23 = <b>1:0.8</b>
2011	613 100	201 100	412 000	0.49 = <b>1:2.0</b>	5 847 900	3 281 900	2 566 000	1.28 = <b>1:0.8</b>
2012 Q2	658 100	224 600	433 500	0.50 = <b>1:1.9</b>	5 892 100	3 335 500	2 556 600	1.30 = <b>1:0.8</b>

Source: Census and Statistics Department

\* A family support ratio is the ratio of employed persons to those typically not in the labour force. A family support ratio of 1:2.0 means that every employed person in the household supports the livelihood of two unemployed persons.

**Table 11: No. of working poor households with monthly income less than the average CSSA payment to households of corresponding size (2003 to 2012 Q2)**

Household size	2003		2004		2005		2006		2007	
	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%
1	5 100	3.1	5 600	3.6	4 800	3.5	4 600	3.7	5 100	4.4
2	21 400	13.0	20 800	13.4	16 700	12.2	16 500	13.3	15 500	13.5
3	40 400	24.5	37 200	24.0	34 900	25.6	32 700	26.3	30 300	26.3
4	54 500	33.1	51 500	33.2	46 500	34.1	41 900	33.7	37 400	32.5
5	28 000	17.0	26 000	16.8	21 600	15.8	17 400	14.0	17 400	15.1
6+	15 400	9.4	13 800	8.9	12 000	8.8	11 200	9.0	9 500	8.2
<b>Overall (A)</b>	<b>164 700</b>	<b>100.0</b>	<b>154 900</b>	<b>100.0</b>	<b>136 500</b>	<b>100.0</b>	<b>124 300</b>	<b>100.0</b>	<b>115 200</b>	<b>100.0</b>
<b>Overall no. of working poor households (B)</b>	174 000		181 700		172 600		186 900		192 300	
<b>(A)/(B)(%)</b>	<b>94.7</b>		<b>85.3</b>		<b>79.1</b>		<b>66.5</b>		<b>59.9</b>	



**Table 11: No. of working poor households with monthly income less than the average CSSA payment to households of corresponding size (2003 to 2012 Q2) (Cond't)**

Household Size	2008		2009		2010		2011		2012 Q2	
	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%	No. of working poor households with monthly income less than the average CSSA payment	%
1	4 200	4.2	5 000	3.9	4 900	4.6	5 500	5.5	8 000	7.0
2	13 700	13.8	22 300	17.4	16 400	15.4	16 000	16.0	20 500	18.1
3	25 800	26.0	38 400	30.0	33 400	31.3	30 100	30.1	35 000	30.8
4	33 000	33.2	39 300	30.7	31 600	29.6	29 400	29.4	32 400	28.5
5	14 100	14.2	14 600	11.4	13 700	12.8	12600	12.6	12 200	10.7
6+	8 500	8.6	8 200	6.4	6 800	6.4	6 400	6.4	5 500	4.8
<b>Overall (A)</b>	<b>99 400</b>	<b>100.0</b>	<b>127 900</b>	<b>100.0</b>	<b>106 800</b>	<b>100.0</b>	<b>100 000</b>	<b>100.0</b>	<b>113 500</b>	<b>100.0</b>
<b>Overall no. of working poor households (B)</b>	190 000		187 100		171 400		176 500		194 100	
<b>(A)/(B)(%)</b>	<b>52.3</b>		<b>68.4</b>		<b>62.3</b>		<b>56.7</b>		<b>58.5</b>	

Source: Census and Statistics Department

**Table 12: CSSA take-up rate among working poor households (2003 to 2012 Q2)**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012 Q2</b>
<b>Number of working poor households living below CSSA level (A)</b>	164 700	154 900	136 500	124 300	115 200	99 400	127 900	106 800	100 000	113 500
<b>Low-income CSSA cases (B)</b>	13 534	16 176	18 089	18 257	17 221	16 080	15 633	14 407	12 319	11 067*
<b>CSSA take-up rate among working poor households (B)/(A) (%)</b>	<b>8.2</b>	<b>10.4</b>	<b>13.3</b>	<b>14.7</b>	<b>14.9</b>	<b>16.2</b>	<b>12.2</b>	<b>13.5</b>	<b>12.3</b>	<b>9.8</b>

Source: Census and Statistics Department

\* updated August 2012

**Table 13: Number of households and working households at risk of poverty (2003 to 2012 Q2)**

		2011		2012 Q2	
		No. of households	No. of persons	No. of households	No. of persons
<b>Overall households</b>	With monthly household income less than <b>60%</b> of median monthly income of households of corresponding size <b>(A)</b>	618 000	1 626 600	642 500	1 654 200
	With monthly household income less than <b>50%</b> of median monthly income of households of corresponding size (poor households) <b>(B)</b>	435 400	1 128 100	451 000	1 176 500
	Difference <b>(C) = (A) - (B)</b> <b>(households at poverty risk)</b>	182 600	498 500	191 500	477 700
	Overall <b>(D)</b>	2 357 300	6 623 800	2 374 700	6 666 300
	<b>Rate of households at risk of poverty (C)/(D) (%)</b>	<b>7.7</b>	<b>7.5</b>	<b>8.1</b>	<b>7.2</b>
<b>Working households</b>	With monthly household income less than <b>60%</b> of median monthly income of households of corresponding size <b>(A)</b>	300 700	1 031 300	313 000	1 045 200
	With monthly household income less than <b>50%</b> of median monthly income of households of corresponding size (working poor households) <b>(B)</b>	176 500	613 100	194 100	658 100
	Difference <b>(C) = (A) - (B)</b> <b>(working households at poverty risk)</b>	124 200	418 200	118 900	387 100
	Overall <b>(D)</b>	1 913 400	5 847 900	1 931 500	5 892 100
	<b>Rate of working households at poverty risk (C)/(D) (%)</b>	<b>6.5</b>	<b>7.2</b>	<b>6.2</b>	<b>6.6</b>

Source: Census and Statistics Department

## Appendix 2

### Work Incentive Transport Subsidy Scheme has little impact on poverty reduction

In 2007, the government launched a Transport Support Scheme on a pilot basis, with eligibility restricted to employees living in Yuen Long, Tuen Mun, New Territories North and outlying islands. In 2010, the government expanded the scheme into the Work Incentive Transport Subsidy Scheme, aimed at subsidizing workers' transport costs. Eligible full-time employees receive an allowance of up to HK\$600 a month under the current scheme. However, by the end of August 2012, only about 40,000 people had applied for the scheme, far less than the anticipated 200,000. The low take-up rate has been attributed in part to the complicated application procedures, which included an assessment based on a family's income. The government therefore enhanced the scheme with a double-track approach that allowed workers to apply either on an individual or a family basis. This policy change may increase the take-up rate, but is expected to have very little impact on poverty reduction, as the subsidy level is comparatively low. According to government statistics for 2011, only 20% of working poor households would be lifted out of poverty if the government reached the targeted number.

### Insufficient support from After School Care Programme (ASCP) and Neighbourhood Support Child Care Project (NSCP)

The Hong Kong Government has launched two projects, the After School Care Programme (ASCP) and the Neighbourhood Support Child Care Project (NSCP), to support working parents with children. The former targets children aged six to 12 and the latter targets those younger than six.

In October 2011, the NSCP was approved as a long-term service and extended to all districts in Hong Kong. It provides care for only 720 children, including 468 home-based and 252 centre-based care group places. From October to December 2011, the average number of children benefiting from the scheme each month was 631<sup>4</sup>. According to figures provided by the Census and Statistics Department, there were 36,700 poor households with at least one working member and at least one child younger than six in 2011. Assuming all those families have only a single child, it would mean that only 1.7% of eligible families are benefiting from the existing program.

Moreover, there have been complaints that the childcare workers employed by these programmes are paid an unreasonably low wage. **The childcare workers generally receive only \$18-\$22 per hour, which is less than the minimum wage.**

The ASCP waives its fee for low-income families whose monthly income is less than 55% of the median monthly household income for households of corresponding size; such households are eligible to apply for a full fee waiver. Households with income between 55% and 75% of the monthly median can apply for a 50% fee reduction. However, only 1,540 full fee waivers<sup>5</sup> are offered per year, covering only 3.1% of poor working families with children aged between 6-15 in 2011. (There are 49,200 families in this category). Owing to the inadequate number of full fee waivers, most eligible families can only get half the fee waived.

Moreover, both projects have been criticised for the lack of escort services. Parents have to take their children to the programme after school, which makes it difficult for them to work full time.

### Short-term food assistance service projects

From February 2009 to December 2011, the government allocated HK\$66.3 million to five non-governmental organizations (NGOs) to operate territory-wide short-term food assistance services for up to six weeks to help individuals and families struggling to meet their daily food expenses. Deprived groups such as the unemployed, low-income earners and the poor elderly were the main targets of the project; they would receive food such as rice, canned foods or instant food for a short period of time if they passed an assessment.

<sup>4</sup> Social Welfare Departments' response to Legco question (LWB(WW)548) about Budget 2012-13

<sup>5</sup> Social Welfare Department, review report from 2009-10 and 2010-11 [http://www.horizondobson.com/hdguest/swd\\_review0911\\_new/tc/ch10\\_youngpeople/index.html](http://www.horizondobson.com/hdguest/swd_review0911_new/tc/ch10_youngpeople/index.html)

According to government statistics, 24,200 people<sup>6</sup> had received the service during financial year 2011-12 (by the end of December 2011). In 2011, there were 1.126 million people in poverty – persons living in households with less than 50% of the median income of households of corresponding size. Excluding the 0.44 million people on CSSA<sup>7</sup>, there were 0.686 million additional people living in poverty. The scheme therefore could only assist 3.5% of the population in poverty.

This project did not benefit most low-income earners engaged in labour or outdoor work, for example, as it did not reduce their meal expenses during working hours. Most such workers must buy their meals outside rather than bringing a lunch box as there is no refrigerator provided for them to store food at their workplaces. With the soaring prices of food, especially meat, flour and rice, in recent years, it is difficult for them to afford their daily meals.

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<sup>6</sup> Social Welfare Departments' response to Legco question (LWB(WW)239) about Budget 2012-13

<sup>7</sup> Census and Statistics Department, Hong Kong Monthly Digest of Statistics: Statistics on Comprehensive Social Security Assistance Scheme, 2001-2011