

*Income and Expenditure Patterns of
Low Income Households in Hong Kong*

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EXECUTIVE SUMMARY

1. This paper aims to analyse the methodology employed by the Administrations in reviewing the standard assistance rates including the Basic Needs (BN) approach and the Household Expenditure Survey (HES) approach. This paper also examines the spending patterns of low income non-CSSA families.
2. The average CSSA allowance for single-member and two-member households were 34.5% and 32.8% of monthly median household income in the first quarter of 1996. The majority of single-member and two-member CSSA households were elderly recipients.
3. Elderly CSSA recipients spent more money on food than that assumed by the BN budget. While they took some meals away from home, their expenditure on meat and vegetables consumed at home exceeded the expenditure for the items under the BN budget. Elderly recipients also spent more money on proprietary medicines than that assumed by the BN budget.
4. According to the 1994/95 HES, 243,000 non-CSSA non-working elderly persons of the lowest 5% to 30% income groups had a monthly income lower than the total of CSSA standard rates plus monthly apportionment of the annual long term supplement (LTS).
5. Within the lowest 5% to 30% income groups, 34,000 elderly persons were still working. They had a higher expenditure level than the non-working elderly.
6. The monthly expenditure of households in the lowest 5% to 30% income groups exceeded their monthly income. Households in these income groups may have to rely on savings and other means to make up the shortfall between income and expenditure. Single-member households in the lowest 5% income group had a shortfall of \$2,619 per month (accounting to 92% of their expenditure) while single-member households in the lowest 30% income group had a shortfall of \$1,041 (accounting to 32% of their expenditure).
7. Other studies have shown that people in low income households do not obtain CSSA because they do not meet the one-year residence requirement or they have savings above the asset limit. Some may refrain from applying for CSSA for psychological or cultural reasons. Others may not have knowledge about the CSSA Scheme.

INCOME AND EXPENDITURE PATTERNS OF LOW INCOME HOUSEHOLDS IN HONG KONG

PART 1 - INTRODUCTION

1. Background

1.1 The government released a Report on Review of Comprehensive Social Security Assistance (CSSA) Scheme in March 1996. To facilitate discussion, Members of the Legislative Council Panel on Welfare Services requested a research on the determinants and rationale in setting the minimum assistance level of CSSA and that of social security programs in other countries. A paper entitled "A Research on the Determinants for the Social Assistance Scale in Hong Kong and Selected Countries" was presented to Panel Members on 6 June 1996.

1.2 The Subcommittee on CSSA Study was formed under the Panel to study the social security system in detail. Members of the Subcommittee expressed concerns on the adequacy of assistance rates for single-member and two-member CSSA households as well as the income level of low income groups. The Research and Library Services Division (RLS) of the Legislative Council Secretariat was asked to conduct further research on the CSSA Scheme. Details of the request is in Appendix 1.

2. Scope of Study

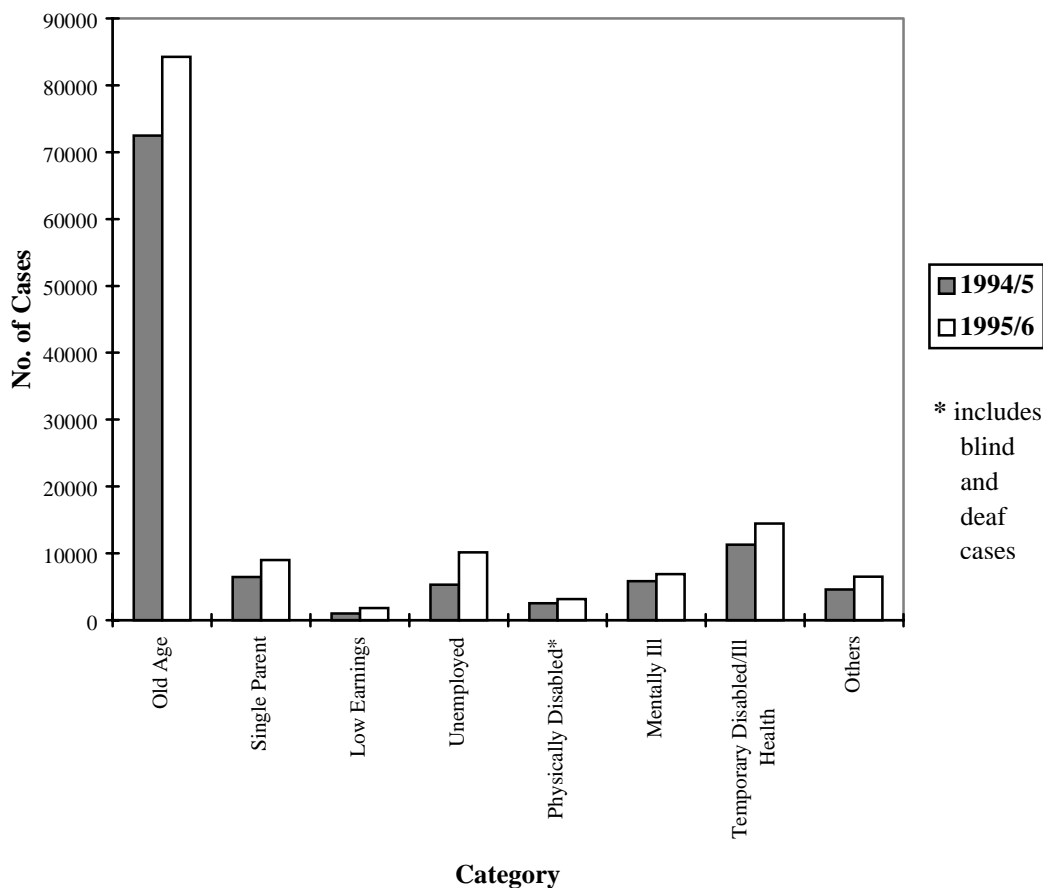
2.1 This paper aims to analyse the methodology in setting the standard assistance rates and the spending level of low income non-CSSA families. This paper has 5 parts. Part 1 is the introduction. Part 2 gives an overview of the CSSA Scheme. Part 3 is an analysis on the CSSA standard assistance rates. Part 4 discusses the income and expenditure patterns of low income non-CSSA households. Part 5 gives the concluding remarks. Appendices 7 and 8 provide additional information on social security systems of the Scandinavian countries and Macau.

PART 2 - AN OVERVIEW OF CSSA SCHEME**3. Number of CSSA Cases****Table 1 - Number of CSSA Cases by Category, 1994/95 and 1995/96**

Category	Number of cases* in 1994/95	Number of cases* in 1995/96	Change in number of cases between 1994/95 and 1995/96	% change between 1994/95 and 1995/96
Old age	72,468	84,243	+11,775	+16.2
Single parent family	6,453	8,982	+2,529	+39.2
Low earnings	991	1,814	+823	+83.0
Unemployed	5,302	10,131	+4,829	+91.1
Blind	444	460	+16	+3.6
Deaf	93	143	+50	+53.8
Physically disabled	1,982	2,543	+561	+28.3
Mentally ill	5,832	6,912	+1,080	+18.5
Temporary disabled/ ill health	11,308	14,450	+3,142	+27.8
Others	4,588	6,523	+1,935	+42.2
Total	109,461	136,201	+26,740	+24.4
Number of new applications	49,906	63,154	+13,248	+26.5
% of new applications to total number of cases	+45.6%	+46.4%	n.a.	n.a.

Remarks: * A case may refer to a single person or a family.
n.a. means not applicable

Source: Hong Kong Monthly Digest of Statistics July 1996

Chart 1 - CSSA Cases by Categories

3.1 Old age is the category with the highest number of CSSA cases. This category recorded the largest absolute increase of 11,775 cases between 1994/95 and 1995/96, representing an increase of 16%.

3.2 Among all kinds of CSSA cases, unemployed cases had the most significant percentage increase in 1995/96. The number of such cases rose by 91% from 5,302 in 1994/95 to 10,131 in 1995/96.

3.3 Low earnings cases came second in percentage increase and rose by 83% between the two years. Single parent family cases also recorded considerable increase at 39%.

4. Level of Assistance

Table 2 - Monthly Income Levels of CSSA Recipients, General Households and the Lowest 5% Income Group in Hong Kong

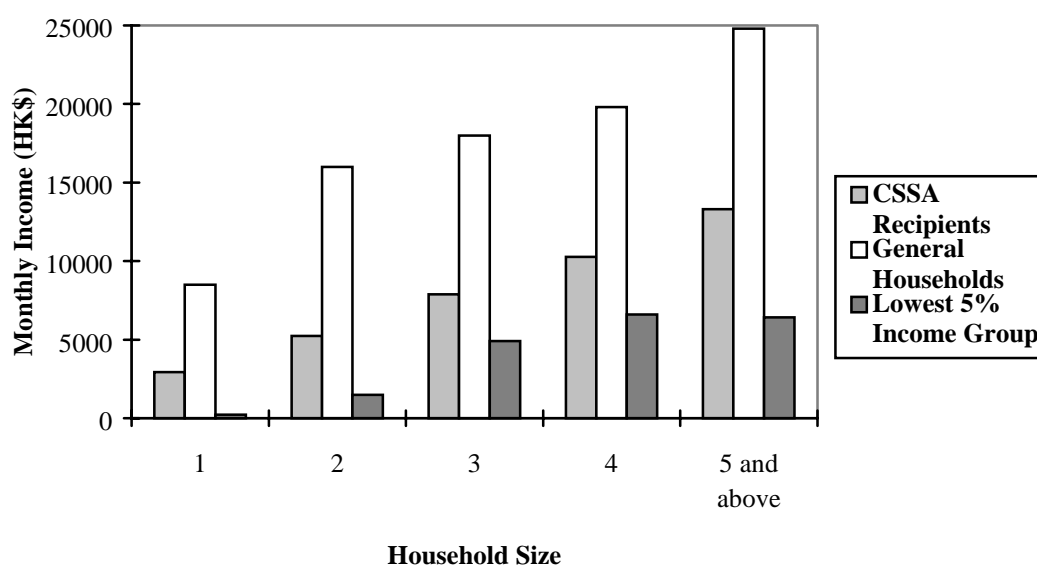
Household size	Estimated average monthly CSSA payment* in 1996/97 (HK\$)	Median monthly household income in the first quarter of 1996 (HK\$)	Average monthly income of the lowest 5% income group in 1994/95# (HK\$)
1	2,940	8,500	231
2	5,240	16,000	1,491
3	7,890	18,000	4,920
4	10,270	19,800	6,593
5 and above	13,310	24,800	6,408

Remarks: * The assistance provided is based on the number of eligible CSSA Scheme members. Average assistance includes standard rate, supplements, special grants and rent allowance.

Figures are based on the Household Expenditure Survey conducted between October 1994 to September 1995.

Sources: Social Welfare Department
Census and Statistics Department

Chart 2 - Comparison of Monthly Household Income Levels



4.1 The average CSSA allowance was much higher than the monthly income of the lowest 5% income group in Hong Kong. The income and expenditure patterns of low income families are discussed in Part 4.

4.2 The average CSSA allowance for single-member CSSA households was 34.5% of monthly median household income in the first quarter of 1996 and that for two-member CSSA households was 32.8% of monthly median household income.

4.3 The standard rates are reviewed annually in accordance with the forecast increase in the Social Security Assistance Index of Price (SSAIP) which reflects the changes in the purchasing power of the standard rates. SSAIP is determined by three components: a basket of commodity and service items covered by the index¹, the weighting system of these commodity and service items², and the average retail prices of individual commodity and service items³.

¹ All commodity and service items consumed by CSSA recipients are included in the index except those covered by special grants or provided free by the Government under CSSA scheme.

² The relative weights of the commodity and service items are based on the relative ratio of the actual expenditure by CSSA recipients on individual commodity and service items obtained from HES.

³ Census and Statistics Department conducts a continuous pricing survey to collect the prices of individual commodity and service items included in the index.

5. Composition of Single-member and Two-member CSSA Households

Table 3 - Composition of Single-member CSSA Households, 1995/96

Broad age group	Estimated number of CSSA recipients	% of total number of cases	Estimated average monthly CSSA payment per recipient in HK\$
Child*	1,200 (700)	1.4 (0.9)	2,950 (#)
Adult	17,000 (14,300)	19.2 (18.1)	2,530 (2,220)
Elderly**	70,200 (63,800)	79.4 (81.0)	2,780 (2,510)
Total	88,400 (78,800)	100.0 (100.0)	2,740 (2,460)

Remarks : The assistance provided is based on the number of eligible CSSA Scheme members. Average assistance includes standard rate, supplements, special grants and rent allowance.

() Figures for 1994/95 in parenthesis

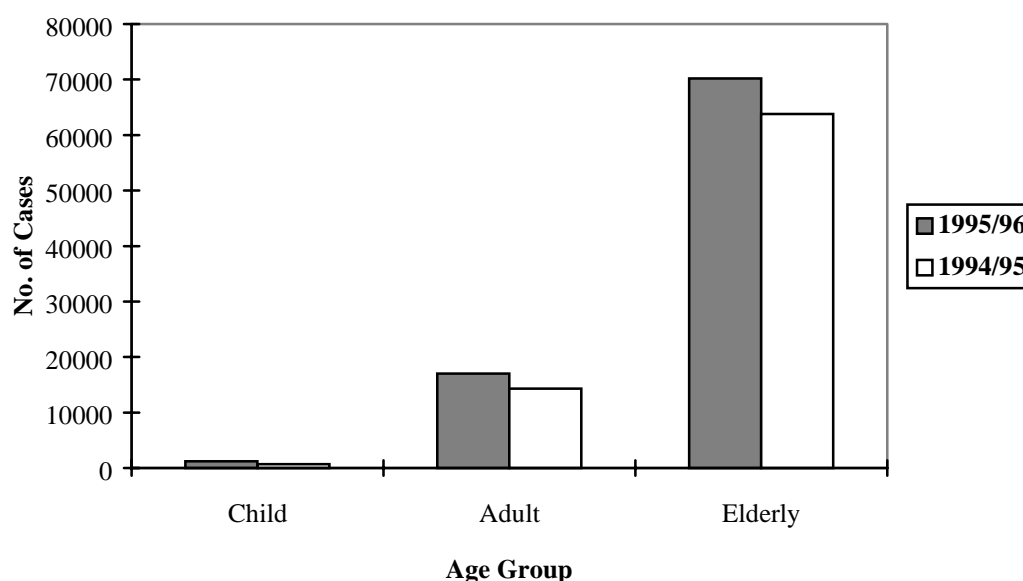
* Child refers to a person aged below 15; or a person aged 15 to 21 and receiving full time education.

** Elderly refers to a person aged 60 or above.

The estimate is considered statistically not suitable to be adopted for reference due to the small number of sample observations.

Source: Social Welfare Department

Chart 3 - Single-member CSSA Households



5.1 The 63,800 elderly recipients accounted for the largest group of single-member CSSA households in 1994/95. They amounted to 30% of the total 213,000⁴ single-member households in Hong Kong. The number of elderly CSSA recipients increased to 70,200 in 1995/96.

5.2 While child recipient is the smallest group among single-member CSSA households, this group registered the highest percentage increase by more than 70 % from 700 cases in 1994/95 to 1,200 cases in 1995/96.

Table 4 - A Breakdown of Single Child CSSA Recipients

Category of recipients	1994/95	1995/96
Orphan/Deserted child	600	900
Child with parent(s) in prison	nil	100
Child with parent(s) staying in China	nil	100
Disabled	100	100
Total	700	1,200

Source : Health and Welfare Branch

5.3 The largest increase in child CSSA recipients concerned orphan/deserted children. The number rose from 600 in 1994/95 to 900 in 1995/96.

⁴ The figure is for the period between October 1994 to September 1995.

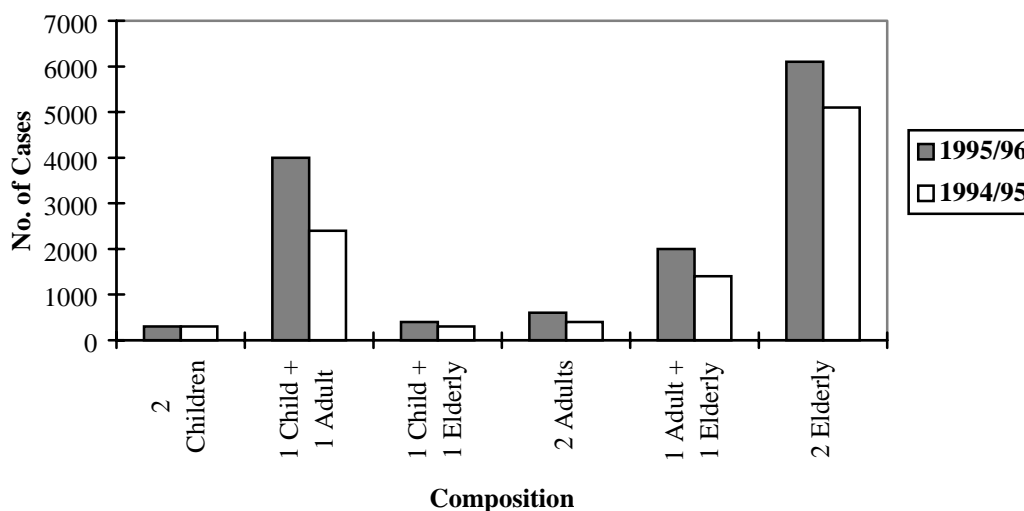
Table 5 - Composition of Two-member CSSA Households, 1995/96

Composition of households	Estimated number of CSSA cases	% of total number of cases	Estimated average monthly CSSA payment in HK\$
2 children	300 (300)	2.2 (3.0)	4,540 (4,150)
1 child + 1 adult	4,000 (2,400)	29.8 (24.0)	4,740 (4,350)
1 child + 1 elderly	400 (300)	2.9 (3.0)	4,760 (4,480)
2 adults	600 (400)	4.9 (3.9)	4,310 (4,100)
1 adult + 1 elderly	2,000 (1,400)	14.7 (14.0)	4,390 (4,240)
2 elderly	6,100 (5,100)	45.5 (52.1)	4,320 (4,120)
Total	13,300 (9,800)	100.0 (100.0)	4,470 (4,210)

Remarks : The assistance provided is based on the number of eligible CSSA Scheme members. Average assistance includes standard rate, supplements, special grants and rent allowance.

() Figures for 1994/95 in parenthesis.

Source: Social Welfare Department

Chart 4 - Two-member CSSA Households

5.4 Among two-member CSSA households, families with one adult and one child recorded the highest percentage increase of 66% from 2,400 cases in 1994/95 to 4,000 cases in 1995/96. CSSA families with one adult and one elderly also increased by 43% to 2,000 in 1995/96.

5.5 The 5,100 households with two elderly recipients represented the largest group in two-member CSSA households in 1994/95. They amounted to 1.9% of the total 272,800⁵ two-member households in Hong Kong. The number of CSSA households with two elderly members increased to 6,100 in 1995/96.

⁵ The figure is for the period between October 1994 to September 1995

PART 3 - ANALYSIS OF THE CSSA STANDARD RATES

6. Background and Review Methodology

6.1 The government established a steering group⁶ in March 1995 to review the social security arrangements. The review aimed to examine the effectiveness of the social security system and the adequacy of benefits in meeting the needs of recipients.

6.2 The steering group adopted two approaches in reviewing the adequacy of the assistance rates - the Basic Needs (BN) approach and the Household Expenditure Survey (HES) approach. The BN approach provides a baseline below which the standard rates should not be allowed to fall. The results of the HES provide an indication by reference to actual expenditure to suggest which categories of recipients might justify higher rates above the BN baseline.

7. Basic Needs Approach

7.1 In drawing up the BN budget⁷, the steering group constructed baskets of commodities and services representing the basic needs for food and non-food items for various categories of CSSA recipients.

7.2 The choice of food items for each age group was based on the advice of a government dietitian. The cost of the food items was then calculated by applying the average retail prices of the lowest 50% price range provided by the Census and Statistics Department.

7.3 For most of the non-food items, the quantity and consumption life span were estimated by the steering group. The cost was then calculated by applying the retail prices of the lowest 50% price range. For items such as fuel, light and transport, the expenditure pattern of the lowest 5% non-CSSA income group was adopted.

7.4 The cost of the baskets was then compared with the relevant CSSA standard rates plus monthly apportionment of the annual long term supplement (LTS)⁸ to assess the adequacy of the rates.

⁶ The steering group was chaired by the Director of Social Welfare. Members of the steering group included Assistant Director (Social Security), Chief Social Security Officer 2, Senior Statistician of the Social Welfare Department, Administrative Assistant to Director of Social Welfare, Deputy Secretary for Health and Welfare, Principal Assistant Secretary (Health and Welfare) Welfare 1, Principal Assistant Secretary for the Treasury (A) and Deputy Commissioner for Census and Statistics.

⁷ BN budget does not include commodities and services covered by special grants.

⁸ Long term supplement (LTS) is paid to those who have been receiving assistance continuously for more than 12 months.

Food requirements of the BN budget**Table 6 - Basic Daily Food Requirements for Meeting the Nutritional Needs of Recipients in Different Age Groups**

Food items	Infant (aged <1)	Child (aged 1-5)	Child (aged 6-12)	Child (aged 13-16)	Adult (aged 17-59)	Elderly (60 and above)
Rice (g)	60	90	210	300	360	240
Meat (g)	30	140	200	240	240	200
Fresh vegetable (g)	45	200	240	320	320	240
Egg (number)	0.5	0.57	0.57	0.57	0.57	0.57
Fresh fruit (number)	2 (orange)	1	2	2	2	2
Milk powder (g)	192	Nil	nil	nil	nil	nil
Milk (ml)	Nil	500	500	500	250	250
Bread/bun (g)	Nil	60	90	120	120	90
Infant cereal/Noodle (g)	15	30	30	30	30	30
Biscuits (g)	Nil	15	15	15	15	15
Oil (g)	5	21	30	30	45	30
Margarine (g)	Nil	7	7	7	7	nil
Condiments/extra ingredients (g)	Nil	145	145	145	145	145
Jam (g)	Nil	4	4	4	4	nil
Tea (g)	Nil	Nil	nil	nil	4	4

Source : Social Welfare Department

7.5 The major difference among various age groups is their requirements on rice, meat and fresh vegetables. Elderly are assumed to require less rice, meat and vegetables than the adult and youngsters.

Non-food requirements of the BN budget

7.6 There are six broad categories of non-food commodities and services under the BN budget, namely clothing and footwear, durable goods, miscellaneous goods, miscellaneous services, transport and vehicles as well as fuel and light. The detailed list is in Appendix 2.

7.7 For clothing, BN budget assumes female aged 13 to 59 and the elderly would need one short-sleeved shirt or blouse while others need two. Male adult and male elderly would need two pairs of summer long trousers while others need one. It is assumed that elderly recipients do not need T-shirt or jeans.

7.8 The BN budget used to establish the standard rates for children aged between 6 and 14 does not provide allowance for them to buy shoes or sport shoes. However, child CSSA recipients could apply for special grants to buy school uniforms and sports uniforms including shoes and sport shoes.

7.9 For durable goods, it is assumed that infants do not need a bed or chair of their own and single-member household would have no allowance for sofa. Only elderly recipients would have allowance for a heater.

7.10 The BN budget provides allowance under the miscellaneous goods for recipients to acquire proprietary medical care. The cost of the item is estimated at a flat rate per annum per eligible person. The rate is \$100 for the elderly and \$50 for other recipients.

7.11 For miscellaneous services, everyone except infant would have allowance to go to the swimming pool 6 times a year. Recipients aged 6 or above would also have a flat rate allowance for other sport, recreation, arts and cultural activities. The rate is \$300 per annum for children aged 6 to 14 and \$240 per annum for those aged 15 and above.

7.12 The BN budget in money terms is in column 2 of Appendix 3.

7.13 There is a great diversity of opinion as to what items constitute basic needs. Drawing up the list of items in the BN baskets is inevitably a subjective exercise. The difficulty was recognised by the government⁹.

⁹ Page 9 of the Report on Review of Comprehensive Social Security (CSSA) Scheme says, "Establishing the BN budgets inevitably involved the exercise of some subjective judgement." "There is great diversity of opinion as to what items constitute basic needs. Assuming some consensus is possible, the adequacy of social security payments can be defined as the amount of money given as financial assistance which enables a person to sustain a standard of living where the person's basic needs can be met."

Table 7 - Comparison between the Cost of Baskets of Commodities and Services under the BN Budget and the Actual Expenditure* of CSSA Recipients

Commodities and Services	Expenditure (HK\$)							
	Single elderly [#]		Child in family		Adult in family		Elderly in family	
	CSSA recipients	BN budget	CSSA recipients	BN budget	CSSA recipients	BN budget	CSSA recipients	BN budget
Food	994	687.8	755	695.5	714	799.1	749	687.8
Fuel and light	100	110.7	88	92.2	91	92.9	94	92.2
Alcoholic drinks and tobacco	55	Nil	nil	nil	50	nil	42	Nil
Clothing and footwear	15	202	94	112.3	63	203.8	26	202
Durable goods	13	254.1	39	106.7	39	112.2	10	117.7
Misc. Goods	87	106.2	70	107.7	110	98.2	82	100.7
Transport and vehicles	33	96.9	16.3	16.3	79	126.2	35	96.9
Misc. Services	30	66.5	37.6	37.6	41	64.9	38	69.8
Total	1,327	1,524.2	1,127	1,168.2	1,186	1,496.5	1,077	1,367.1

Remarks : * Information on actual expenditure is based on the Household Expenditure Survey conducted between October 1994 and September 1995.

Elderly refers to able-bodied elderly and 50% disabled elderly as the two CSSA rates are the same.

Source : Social Welfare Department

7.14 Table 7 compares the broad categories of commodities and services under the BN budget and the actual expenditure of four types of CSSA recipients. Item by item comparison is in Appendix 3.

7.15 CSSA recipients are noted to spend proportionately more on food than that assumed by the BN budget. Single elderly CSSA recipients spent 75% of their monthly expenses on food while that assumed by BN budget is 45%. Elderly CSSA recipients in a family spent 70% of their monthly expenditure on food while that assumed by the BN budget is 50%.

7.16 From Appendix 2, it is noted that all recipients spent money on meals away from home. While elderly recipients took some of their meals outside, their monthly expenditure on meat and vegetables consumed at home exceeded that assumed by the BN budget.

7.17 Appendix 3 shows that elderly recipients spent an average of \$37 to \$49 per month on proprietary medicines while BN budget provides a monthly allowance of \$8.33. Elderly CSSA recipients also spend another \$8 to \$12 on medical services under the miscellaneous services category.

8. Household Expenditure Survey Approach

8.1 Under the HES approach, the CSSA standard rates plus the monthly apportionment of the annual LTS were compared with the expenditure patterns of CSSA recipients and of the lowest 5% non-CSSA income group. The expenditure was adjusted to exclude items which were covered by CSSA special grants or provided free by the government.

8.2 Appendix 3 shows that the lowest 5% income group has a similar expenditure pattern as CSSA recipients. Single elderly in the lowest 5% income group spent less than CSSA recipients while elderly living in a family of the lowest 5% income group had a higher monthly expenditure than CSSA recipients.

8.3 The CSSA standard rates plus LTS were compared with the expenditure patterns of CSSA recipients and of the lowest 5% non-CSSA income group. It is noted in Appendix 4 (note 3) that different reference groups within the lowest 5% income group were used for comparison. The non-working able-bodied adult of the low income group was used as the reference group for comparison with able-bodied adult CSSA recipients. The total population of the working and non-working elderly of the low income group were used as the reference group for elderly CSSA recipients. The choice of different reference groups for comparison would produce different income and expenditure patterns.

8.4 Appendices 5 and 6 show that the working population of the lowest 5% to 20% income groups had a higher income level and expenditure level than the non-working population within the same income groups.

Table 8 - Income and Expenditure Levels of Working and Non-working Single Elderly of the Lowest 5% to 30% Income Groups

Income Group	Non-working elderly			Working elderly			Working plus non-working elderly
	Income (HK\$) ¹	Expenditure (HK\$) ²	No. of people	Income (HK\$)	Expenditure (HK\$) ²	No. of people	Total Expenditure (HK\$) ³
5%	417	1,235	5,000	-	-	-	1,937
10%	562	1,285	9,000	*	*	*	2,035
15%	963	1,436	13,000	*	*	*	2,508
20%	1,467	1,618	19,000	*	*	*	2,877
25%	1,809	1,647	22,000	3,160	2,424	4,000	3,206
30%	2,080	1,662	25,000	3,489	2,238	5,000	3,113

Remarks: Figures in the table are based on the Household Expenditure Survey conducted between October 1994 and September 1995.

* The estimate is considered statistically not suitable to be adopted for reference due to small number of sample observations.

1. Main sources of income for non-working elderly are regular contributions from person outside the family, pension, dividend, rental income and old age allowance.

2. The figures do not include expenditure on goods and services covered by special grants.

3. The figures include expenditure on goods and services covered by special grants.

Source: Census and Statistics Department

Table 9 - Income and Expenditure Levels of Working and Non-working Elderly Living in a Family of the Lowest 5% to 30% Income Groups

Income Group	Non-working elderly			Working elderly			Working plus non-working elderly
	Income (HK\$) ¹	Expenditure (HK\$) ²	No. of people	Income (HK\$)	Expenditure (HK\$) ²	No. of People	Total expenditure (HK\$) ³
5%	726	1,407	48,000	4,876	2,012	3,000	1,939
10%	992	1,571	88,000	5,276	1,967	6,000	2,151
15%	1,053	1,589	123,000	5,325	2,073	11,000	2,589
20%	1,128	1,592	153,000	5,239	1,986	16,000	2,607
25%	1,195	1,629	183,000	5,184	2,055	24,000	2,652
30%	1,276	1,678	221,000	5,698	2,112	29,000	2,726

Remarks: Information in the table is based on the Household Expenditure Survey conducted between October 1994 and September 1995.

1. Main sources of income for non-working elderly are regular contribution from person outside the family, pension, dividend, rental income and old age allowance.
2. The figures do not include expenditure on goods and services covered by special grants.
3. The figures include expenditure on goods and services covered by special grants.

Source: Census and Statistics Department

8.5 The income level of the non-working single elderly of the lowest 5% to 25% income groups was lower than CSSA allowance. The 22,000 elderly had a monthly income of \$417 to \$1,809 while the CSSA standard rates plus the monthly apportionment of LTS for single elderly recipients was \$1,848.

8.6 The monthly income of the non-working elderly living in a family of the lowest 5% to 30% income groups was also lower than CSSA allowance. The 221,000 elderly had a monthly income of \$726 to \$1,276 while the CSSA standard rates plus LTS for elderly living in a family was \$1,522.

8.7 There were altogether 243,000 elderly in the lowest 5% to 30% income groups with a monthly income lower than the CSSA standard rates plus LTS. They amounted to 33.3% of the 730,000 non-CSSA elderly.

8.8 A total of 34,000 elderly within the lowest 5% to 30% income groups were still working. Most of them were living in a family. The single elderly earned between \$4,000 to \$5,000 per month while those living in a family earned between \$4,876 a month to \$5,698 per month.

8.9 On the expenditure side, the non-working single elderly of the lowest 5% to 30% income groups spent between \$1,235 to \$1,662 per month on goods and services other than those covered by special grants while single CSSA elderly spent an average of \$1,327 per month. Non-working elderly living in a family of the lowest 5% to 30% income groups spent between \$1,407 to \$1,678 per month while CSSA elderly living in a family spent about \$1,077 per month. The working elderly living in a family of the low income groups had a higher expenditure level than the non-working elderly living in a family and spent about \$2,000 a month.

8.10 In reality, elderly of low income groups do not receive special grants but have to spend money on medical services, housing and related charges. The total monthly expenditure for single elderly (working plus non-working) of the lowest 5% to 30% income groups was between \$1,937 to \$3,113 while elderly living in a family (working plus non-working) spent between \$1,939 to \$2,726 per month.

8.11 Part 4 further examines the income and expenditure patterns of low income groups by their household size.

PART 4 - INCOME AND EXPENDITURE LEVELS OF LOW INCOME HOUSEHOLDS

9. Income and Expenditure Levels of the Lowest 5% to 30% Income Groups

Table 10 - Average Monthly Income* and Expenditure of the Lowest 5% to 30% Income Group and of CSSA Recipients

Income group	Income (expenditure) by household size in 1994/95 in HK\$					No. of households
	1	2	3	4	5 and above	
5% income group	231 (2,850)	1,491 (5,346)	4,920 (8,159)	6,593 (8,678)	6,408 (9,920)	89,064
10% income group	382 (2,651)	2,766 (5,494)	5,979 (8,281)	7,327 (8,951)	7,939 (10,814)	159,162
15% income group	839 (2,875)	3,665 (5,885)	6,845 (8,550)	8,111 (10,329)	8,715 (11,246)	229,121
20% income group	1,318 (3,112)	4,452 (6,115)	7,594 (8,690)	8,792 (10,391)	9,688 (11,612)	304,042
25% income group	1,829 (3,140)	5,127 (6,600)	8,294 (8,832)	9,621 (10,742)	10,615 (12,462)	383,935
30% income group	2,201 (3,242)	5,809 (6,882)	9,021 (9,412)	10,176 (10,993)	11,472 (12,836)	457,705
CSSA recipients	2,650 (1,993)	4,400 (3,630)	6,540 (5,427)	8,610 (6,706)	11,210 (9,112)	102,200

Remarks:

- * Household income is the sum of the personal incomes of all members who usually live in the household received from all sources outside the household in the month preceding the survey period. It includes:- wages and salaries; income of self-employment; income of outworker; income of proprietor; dividends/interest; rent received by owner/main tenant; imputed income from rent for owner/rent-free occupant; pensions; regular contributions from persons outside the household; social security allowance.
 - 1994/95 in this table refers to October 1994 to September 1995
- Sources : Census and Statistics Department
Social Welfare Department

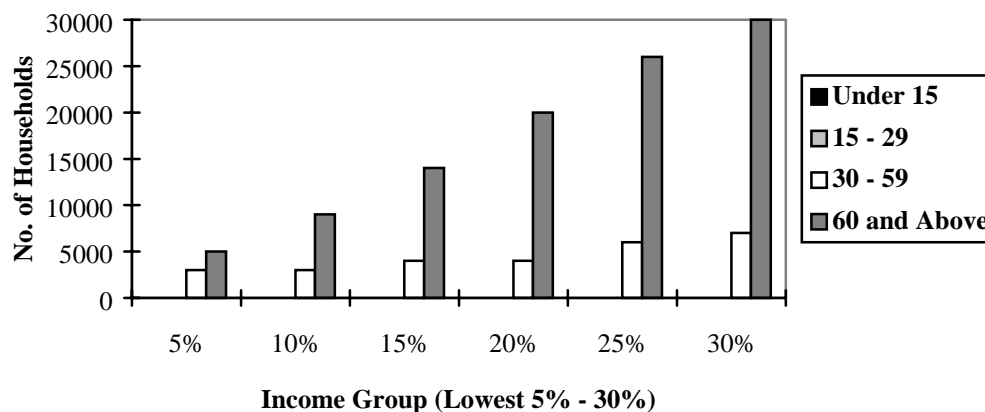
9.1 The income level of single-member households of the lowest 5% to 30% income groups were all lower than the average monthly allowance for CSSA recipients in 1994/95. The income of single-member households in the lowest 5% income group was \$231 per month, 8.7% of the average allowance for single-member CSSA households. For single-member households in the lowest 30% income group, the income was \$2,201, about \$450 lower than CSSA allowance.

Table 11 - Age Breakdown of Single-member Households of the Lowest 5% to 30% Income Groups

Income Group	Age Group			
	Under 15	15 - 29	30 - 59	60 and above
5%	Nil	*	3,000	5,000
10%	Nil	*	3,000	9,000
15%	Nil	*	4,000	14,000
20%	Nil	*	4,000	20,000
25%	Nil	*	6,000	26,000
30%	Nil	*	7,000	30,000

Remarks : * The estimate is considered statistically not suitable to be adopted for reference due to small number of sample observations.

Source: Census and Statistics Department.

Chart 5 - Age Breakdown of Single-member Households

9.2 The majority of single-member households of the lowest 5% to 30% income groups were elderly people aged 60 and above. There were 30,000 elderly in these six income groups.

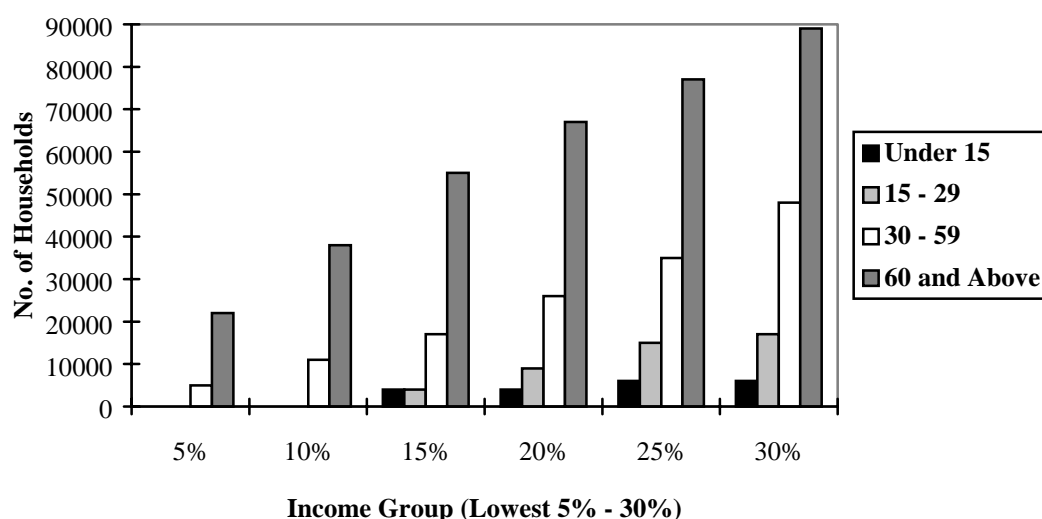
9.3 As shown in Table 8 of Part 3, 25,000 single elderly in the lowest 5% to 30% income groups were not working. This explains the low level of monthly income.

Table 12 - Age Breakdown of Two-member Households of the Lowest 5% to 30% Income Groups

Income group	Age Group			
	Under 15	15-29	30-59	60 and above
5%	*	*	5,000	22,000
10%	*	*	11,000	38,000
15%	4,000	4,000	17,000	55,000
20%	4,000	9,000	26,000	67,000
25%	6,000	15,000	35,000	77,000
30%	6,000	17,000	48,000	89,000

Remarks : * The estimate is considered statistically not suitable to be adopted for reference due to small number of sample observations.

Source: Census and Statistics Department

Chart 6 - Age Breakdown of Two-member Households

9.4 The income level of two-member households in the lowest 5% to 15% income groups was lower than CSSA allowance. There were 55,000 elderly within these three income groups with a monthly income of \$1,491 to \$3,655.

9.5 On the expenditure side, all of the households in the lowest 5% to 30% income groups had an expenditure level higher than that of CSSA households. They all spent more than they earned and some may have relied on savings to make up the shortfall between income and expenditure. For single-member households, those in the lowest 5% income group had a monthly shortfall of \$2,619 while those in the 30% income group had a shortfall of \$1,041.

9.6 If the low income families do not have sufficient income or savings to sustain their expenditure, some may turn to the CSSA Scheme for assistance. However, not all of them would apply or are eligible for CSSA as explained below.

10. Reasons for not Obtaining CSSA

10.1 People of low-income groups do not obtain CSSA either because they are not eligible or they do not apply. This section summarises the findings of various studies on possible reasons for low income households not obtaining CSSA.

Eligibility

10.2 Some applicants of the CSSA Scheme may fail to meet the one-year residence requirement especially in the case of new immigrants. However, in exceptional circumstances, the Director of Social Work may grant assistance to such applicants.

10.3 There is no fixed income level for determining eligibility but CSSA applicants are required to meet an asset test. CSSA applicants are not eligible for financial assistance if their asset levels are equal to or higher than the prescribed limits shown in Table 13.

Table 13 - Asset limits for CSSA Applicants in 1996/97

Household size	Asset limits in HK\$
1	33,000
2	50,000
3	66,000
4	83,000
5	99,000
6	116,000

Source : Legislative Council Finance Committee Paper FCR(96-97)3

10.4 Previously real property not occupied by the applicant was counted as a category of capital assets for assessing eligibility. This category of capital assets was removed in 1996. The existing limit is on the total value of cash, savings, investments, easily realisable assets and valuable possessions of an applicant.

Cultural or psychological reasons

10.5 For those who meet the residence and asset requirements, they may still resist applying for CSSA for cultural or psychological reasons. They may be afraid of being looked down upon by others if they receive financial assistance from the government. Some old people also do not want others to have the impression that their children could not or would not look after them.

Knowledge of CSSA

10.6 Some may be ignorant of the CSSA Scheme and there are many reasons for their ignorance. Some may be illiterate. Some may have never come across the information on CSSA since they have a small social circle or live alone. Some do not apply because they do not understand the application procedures and criteria.

PART 5 - CONCLUDING REMARKS

11.1 The number of elderly recipients represented more than 60% of CSSA cases in the past two years. The number would have been higher if all the elderly people in low income groups with a monthly income lower than CSSA allowance applied for the financial assistance.

11.2 Without CSSA, many elderly people live on a monthly expenditure much lower than that of CSSA recipients. The expenditure level of low income elderly people especially those living alone is constrained by their income and savings.

11.3 The determination of assistance rates is a subjective exercise. The choice of items to be included in the BN budget is subjective. Even for the comparative approach adopted in the HES, the choice of reference groups involves value judgment.

Appendix 1

**Request by the Subcommittee on CSSA Study of the
LegCo Panel on Welfare Services**

The Research and Library Services Division was asked to prepare/to request the Administration to provide the Subcommittee with the following :

- (a) an explanation of the significant increases in CSSA recipients;
- (b) the latest HES and the survey report on CSSA recipients;
- (c) further information on 33.6% of households with one member and 7.2% of households with two members including the number of households, the age and income distribution of each group; and
- (d) information on basic needs analysis of elderly people from the Administration including:
 - (i) the assumptions, and
 - (ii) a comparison of expenditures by items.

Appendix 2

**Quantity Required and Expected Consumption Life - time of Non-food Commodity and Service Items for the Basic Needs Budget for
Different Categories of Able - bodied Clients**

Section/Group/Item of Commodities and Services	Per Household		Expected life-time (years)	Per Head (able - bodied person)										Expected life - time (year)		
	Quantity			Quantity												
	Single house - hold	Family House - Hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/ child	adult/ elderly
					Female	Male	Female	Male	Female	Male	Female	Male	Female	Male		
Clothing and Footwear																
Outerclothing																
Short sleeved shirt/blouse				2	2	2	2	1	2	1	2	1	1	1	2	
Summer dress/frock				1		1		1		1		1		1	1	
Summer skirt				1		1		1		1				1.5	2	
Summer long trousers				1	1	1	1	1	1	1	2	1	2	1	2	
Summer short trousers				1	1	1	1	1	1	1	1	1	1	1.5	3	
Winter suit											1		1		5	
Long sleeved shirt/blouse				2	2	2	2	2	2	2	2	2	2	1	2	
Winter dress/frock				1		1		1		1				1	2	
Winter skirt				1		1		1		1				1.5	2	
Winter trousers				2	1	1	1	1	1	1	1	2	2	1	2	
Cotton - wadded jacket				1	1	1	1	1	1			1	1	2	5	
Winter jacket					1	1	1	1	1	1	1	1	1	1	5	
Cardigan - woolen wear				1	1	1	1	1	1	1	1	1	1	1	3	
Cardigan - winter sweater					1	1	1	1	1	1	1			2	3	
Winter overcoat										1	1	1	1		5	
T - shirt				2	2	2	2	2	2	2	2			1	2	
Swimming trunks/costume				1	1	1	1	1	1	1	1	1	1	1	3	
Jeans				1	1	1	1	1	1	1	1			1	2	
Rain - coat				1	1	1	1					1	1	2	5	
Underclothing																
Vest				2	2	2	2	2	2	2	2	2	2	2	2	
Pants/brief					3	3	3	3	3	3	3	3	3	1	1	
Woolen underwear				2								1	1	1	3	
Brassieres								2		2		2		2	2	
Winter pajamas				1	1	1	1	1	1	1	1	1	1	1	2	
Summer pajamas				1	1	1	1	1	1	1	1	1	1	1	2	
Clothing, others, of all ages																
Socks/stockings				2	2	2	2	2	2	3	3	2	3	1	1	
Winter socks/stockings				1	1	1	1	1	1	1	1	1	1	1	1	

Source : Social Welfare Department

Appendix 2 (cont'd)

Section/Group/Item of Commodities and Services	Per Household			Per Head (able - bodied person)											
	Quantity		Expected life-time (years)	Quantity										Expected life - time (year)	
	Single house - hold	Family house - hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/ child
			Female	Male	Female	Male	Female	Male	Female	Male	Female	Male			
Women's panty hoses										4		4			0.25
Belt						1	1	1	1	1	1	1	1	2	5
Scarf												1	1		5
Handkerchief										2	2	2	2		2
Gloves				1								1	1	1	5
Woolen hat												1	1		5
Infant's clothing															
Summer outer garment				3										1	
Winter outer garment - general				3										1	
Footwear of all ages															
Shoes				1	1	1				1	1	1	1	1	2
Sports shoes					1	1				1	1	1	1	1	2
Slippers					1	1	1	1	1	1	1	1	1	1	2
Durable Goods															
Furniture															
Bed					1	1	1	1	1	1	1	1	1	12	12
Wardrobe	1	1	10												
Sofa		1	10												
Cupboard	1	1	15												
Chair					1	1	1	1	1	1	1	1	1	5	5
Folding table	1	1	5												
Shelf	1	1	5												
Study desk	1	1	10												
Small table	1	1	5												
Electrical appliance															
Refrigerator	1	1	10												
Washing machine	1	1	8												
Rice cooker	1	1	10												
Fan	1	1	10												
Iron	1	1	10												
Lamp/Light	4	4	2												
Electric water heater	1	1	10												

Source : Social Welfare Department

Appendix 2 (cont'd)

Section/Group/Item of Commodities and Services	Per Household			Per Head (able - bodied person)												
	Quantity		Expected life-time (years)	Quantity										Expected life time (year)		
	Single house - hold	Family House - Hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/ child	adult/ elderly
			Female		Male	Female	Male	Female	Male	Female	Male	Female	Male			
Ventilator	1	1	10													
Heater													1	1		10
Color television	1	1	10													
Portable cassette with radio	1	1	10													
Blank tape	2	2	1													
Glass, crockery, earthenware and hardware																
Glass				1	1	1	1	1	1	1	1	1	1	1	1	1
Vacuum flask	1	1	5													
Rice bowl				1	1	1	1	1	1	1	1	1	1	1	1	1
Dish				1	1	1	1	1	1	1	1	1	1	1	1	1
Spoon				1	1	1	1	1	1	1	1	1	1	1	1	1
Soup pot	1	1	5													
Frying pan and wok	1	1	5													
Turning shovel	1	1	5													
Rice scoop	1	1	5													
Soup ladle	1	1	5													
Meat chopper	1	1	10													
Can opener	1	1	5													
Kettle	1	1	5													
Pot	1	1	10													
Scissors	1	1	10													
Screw driver	1	1	20													
Hammer	1	1	20													
Spanner	1	1	20													
Watch, sports and other goods																
Watch (electronic/quartz)							1	1	1	1	1	1	1	1	5	5
Alarm clock	1	1	3													
Wallet / purse										1	1	1	1			5
Handbag										1		1				5
Travelling bag	1	1	3													
Umbrella								1	1	1	1	1	1	2	2	
Sports goods						#	#	#	#							
Gas stove (double burners)	1	1	10													

Source : Social Welfare Department

Appendix 2 (cont'd)

Section/Group/Item of Commodities and Services	Per Household			Per Head (able - bodied person)													
	Quantity		Expected life-time (years)	Quantity												Expected life - time (year)	
	Single House - Hold	Family house - Hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/child	adult/elderly	
			Female		Male	Female	Male	Female	Male	Female	Male	Female	Male				
Miscellaneous Goods																	
Proprietary medical care				#	#	#	#	#	#	#	#	#	#	#			
Stationery																	
Ball pen	1	2	1														
Pencil	1	2	1														
White - paper (some 100 sheets per pad)	1	2	1														
Envelope (some 20 pieces per pad)	1	2	1														
Eraser	1	1	1														
Pencil sharpener	1	1	5														
Soft furnishing																	
Curtain (1 set per window)	2	2	10														
Pillow				1	1	1	1	1	1	1	1	1	1	1	3	3	
Blanket				1	1	1	1	1	1	1	1	1	1	1	10	10	
Bed sheet				2	2	2	2	2	2	2	2	2	2	2	3	3	
Mattress				1	1	1	1	1	1	1	1	1	1	1	8	8	
Quilt				1	1	1	1	1	1	1	1	1	1	1	10	10	
Towel blanket				1	1	1	1	1	1	1	1	1	1	1	5	5	
Pillows cover				2	2	2	2	2	2	2	2	2	2	2	2	2	
Quilt cover				1	1	1	1	1	1	1	1	1	1	1	5	5	
Mat				1	1	1	1	1	1	1	1	1	1	1	5	5	
Shower curtain	1	1	5														
Cosmetics, toilet requisite, soap/detergent																	
Shaving foam (175g per tin)												1		1		0.33	
Toilet soap (per 125g)				1	1	1	1	1	1	1	1	1	1	1	0.08	0.08	
Toilet paper (10 rolls per packet)				1	1	1	1	1	1	1	1	1	1	1	0.5	0.5	
Tooth paste					1	1	1	1	1	1	1	1	1	1	0.08	0.08	
Tooth brush					1	1	1	1	1	1	1	1	1	1	0.25	0.25	
Face towel				1	1	1	1	1	1	1	1	1	1	1	0.5	0.5	
Bath towel				1	1	1	1	1	1	1	1	1	1	1	1	1	
Shampoo (per litre)				1	1	1	1	1	1	1	1	1	1	1	0.67	0.67	
Talcum powder (per kg)				1	1	1								1			
Comb					1	1	1	1	1	1	1	1	1	2	2	2	

Source : Social Welfare Department

Appendix 2 (cont'd)

Section/Group/Item of Commodities and Services	Per Household			Per Head (able - bodied person)												
	Quantity		Expected life-time (years)	Quantity											Expected life time (year)	
	Single House - hold	Family House - Hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/child	adult/elderly
			Female		Male	Female	Male	Female	Male	Female	Male	Female	Male			
Hair brush											1		1		3	
Facial tissue (per 6 small packets)				1	1	1	1	1	1	1	1	1	1	1	0.08	0.08
Sanitary napkin (per 20 pieces)								1		1				0.08	0.08	
Denture cleaner (per 55 yards)						1	1	1	1	1	1	1	1	1	1	
Nail clipper	1	1	5													
Razor and blade									1		1		1	0.25	0.25	
Washing/cleansing powder/detergent	*	*														
Toys																
Toys and games				#	#	#	#	#								
Household goods, others																
Religious items	*	*														
Light bulb	2	2	0.5													
Florescent light	2	4	2													
Plug and socket and dry cell	*	*														
Torch light	1	1	5													
Shoe polish (45 ml per tin)					1	1	1	1	1	1	1	1	1	1	1	
Washing basin	1	1	5													
Chopsticks container	1	1	10													
Tooth mug	1	1	5													
Dustbin	1	1	10													
Dust - pan	1	1	5													
Broom	1	1	1													
Mop	1	1	0.5													
Household gloves	1	1	0.5													
Mirror	1	1	10													
Chopsticks (per pair)					1	1	1	1	1	1	1	1	1	5	5	
Cloth hanger					4	4	4	4	4	4	4	4	4	5	5	
Chopping board	1	1	10													
Water sprayer	1	1	5													
Ironing board	1	1	10													
Saran wrap, plastics bag, mothball	*	*														
Plastic table cloth	1	1	1													

Source : Social Welfare Department

Appendix 2 (cont'd)

Section/Group/Item of Commodities and Services	Per Household			Per Head (able - bodied person)											Expected life time (year)	
	Quantity		Expected life-time (years)	Quantity												
	Single house - hold	Family House - Hold		Infant (aged < 1)	Child (aged 1 - 5)		Child (aged 6-12)		Child (aged 13-14)		Adult (aged 15-59)		Elderly (60 and above)		infant/ child	adult/ elderly
			Female	Male	Female	Male	Female	Male	Female	Male	Female	Male				
Miscellaneous Services																
Sport, recreation, arts and cultural activities																
Admission to swimming pool (No. of times per year)				6	6	6	6	6	6	6	6	6	6	1	1	
Other sport, recreation, arts and cultural activities						#	#	#	#	#	#	#	#			
Hair - dressing																
Hair - cut						1	1	1	1	1	1	1	1	0.17	0.17	
Repairs to personal/household and others																
Repairs to personal goods (e.g. footwear, watches and clothing)	*	*														
Repairs and maintenance to electrical appliances	*	*														
Other repairs (to furniture, gas stove and etc.)	*	*														
Funeral expense - wreath	*	*														
Postal service	*	*														
Transport and Vehicles																
Transport				*	*	*	*	*	*	*	*	*	*			
Additional expenditure for festival transportation				#	#	#	#	#	#	#	#	#	#			
Fuel and Light																
Total costs	*	*														

Remarks : * The cost for the items is estimated basing on the average annual household expenditure of the lowest 5% general households.

The cost for the items is estimated at a flat rate per annum per eligible person.

Source : Social Welfare Department

Appendix 3

**Table 1 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Single Elderly #)**

Commodities / Services	Expenditure (HK\$)		
	CSSA Recipients	Basic Needs Approach	Lowest 5% income group
FOOD	994	687.8	907
Meals Bought Away From Home	417	n.a.	303
Meals Taken At Home	578	n.a.	604
Rice	28	45.8	36
Other cereals & cereal preparations (cereal/noodle)	9	10.1	13
Bread, cakes, biscuits and puddings	29	82.7	22
Meat	283	190.0	287
<i>Pork, locally slaughtered</i>	85	n.a.	84
<i>Beef, locally slaughtered</i>	17	n.a.	9
<i>Other fresh meat</i>	1	n.a.	3
<i>Live poultry</i>	14	n.a.	19
<i>Meat and poultry, frozen</i>	11	n.a.	13
<i>Meat and poultry, tinned</i>	2	n.a.	1
<i>Meat, others</i>	18	n.a.	34
<i>Salt-water fish</i>	64	n.a.	63
<i>Fresh water fish</i>	71	n.a.	61
Other fresh water products	3	-	-
Processed sea products	21	n.a.	17
Fresh vegetables	95	63.4	104
Processed vegetables	7	n.a.	7
Fresh fruit	44	136.6	49
Processed fruit	1	-	1
Dairy products (milk products)	10	56.2	11
Eggs	7	8.9	12
Edible oils (oil & margarine)	16	14.0	22
Drinks (tea)	6	6.9	7
Sugar	1	n.a.	1
Confectionery (jam)	0	0	2
Flavourings and additives	5	73.3	4
Foods, others	11	-	10
FUEL & LIGHT	100	110.7	98
Electricity	47	67.9	56
Liquefied petroleum gas	19	33.4	19
Fuel, others	34	9.5	23

- Remarks:
1. '*' at October 94 to September 95 prices based on 1994/95 HES data.
 2. '#' For CSSA group, elderly refers to able-bodied elderly and 50% disabled elderly as the two CSSA rates are the same.
 3. '0' represents less than 0.5 and '-' represents nil expense.
 4. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 5. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 6. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

**Table 1 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Single Elderly #) (cont'd)**

ALCOHOLIC DRINKS & TOBACCO	55	-	86
Chinese wine	7	-	29
Foreign-style wine	0	-	-
Beer	3	-	-
Cigarettes	44	-	57
Cigar & tobacco	1	-	-
CLOTHING & FOOTWEAR	15	202.0	-
DURABLE GOODS	13	254.1	43
Furniture	7	56.5	-
Electrical appliances	2	114.8	3
Video & sound equipment	3	34.7	39
Glass, crockery & earthenware	0	8.1	-
Hardware, ironmongery & cutlery	-	4.4	2
Travel & sports goods	0	12.6	-
Durable goods, others	0	23.1	-
MISCELLANEOUS GOODS	87	106.2	41
Proprietary medicines & supplies	49	8.3	3
Newspapers	14	-	13
Books and periodicals	0	-	-
Stationery	-	1.3	-
Soft furnishings	1	28.4	-
Cosmetics & toilet requisites	11	49.8	17
Soap & detergents	6	5.6	5
Jewellery	-	-	-
Toys & hobbies	0	0	-
Household goods, others	5	13.9	4

- Remarks:
1. '*' at Oct 94-Sept. 95 prices based on 1994/95 HES data.
 2. '#' For CSSA group, elderly refers to able-bodied elderly and 50% disabled elderly as the two CSSA rates are the same.
 3. '0' represents less than 0.5 and '-' represents nil expense.
 4. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 5. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 6. n.a .represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

**Table 1 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Single Elderly #)**

TRANSPORT & VEHICLES	33	96.9	36
Purchases of repairs to motor vehicles	-	n.a.	-
Motor fuel & lubricant	-	n.a.	-
Motor licences, insurance, etc.	-	n.a.	-
Bus fares	15	n.a.	12
Tram fares	0	n.a.	1
Public light bus fares	8	n.a.	2
Taxi fares	3	n.a.	-
MTR fares	2	n.a.	11
Ferry fares	1	n.a.	7
Train fares	3	n.a.	0
Light Rail Transit fares	1	n.a.	-
Transport, others	0	n.a.	3
MISCELLANEOUS SERVICES	30	66.5	23
Hairdressing	11	34.7	4
Other services	18	31.8	19
<i>School fees</i>	0	-	-
<i>Other educational charges</i>	-	-	-
<i>Medical services</i>	12	-	-
<i>Cinema entertainment</i>	-	n.a.	-
<i>Package tours</i>	3	n.a.	-
<i>Expenses on dinner parties</i>	-	n.a.	-
<i>Other entertainment & holiday expenses</i>	0	n.a.	-
<i>Household services</i>	1	n.a.	-
<i>Repairs to personal & household goods</i>	0	n.a.	-
<i>Subscriptions & other services</i>	0	n.a.	14
<i>Postal service</i>	0	n.a.	-
<i>Telephone services</i>	2	-	5
TOTAL	1327	1524.2	1235

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '#' For CSSA group, elderly refers to able-bodied elderly and 50% disabled elderly as the two CSSA rates are the same.
 3. '0' represents less than 0.5 and '-' represents nil expense.
 4. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 5. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 6. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

**Table 2 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Child in Family)**

Commodities / Services	Expenditure (HK\$)		
	CSSA Recipients	Basic Needs Approach	Lowest 5% income group
FOOD	755	695.5	853
Meals Bought Away From Home	207	n.a.	329
Meals Taken At Home	548	n.a.	525
Rice	24	32.8	29
Other cereals & cereal preparations (cereal/noodle)	16	11.3	11
Bread, cakes, biscuits and puddings	43	75.1	34
Meat	229	165.3	213
<i>Pork, locally slaughtered</i>	70	<i>n.a.</i>	65
<i>Beef, locally slaughtered</i>	13	<i>n.a.</i>	11
<i>Other fresh meat</i>	0	<i>n.a.</i>	0
<i>Live poultry</i>	19	<i>n.a.</i>	28
<i>Meat and poultry, frozen</i>	34	<i>n.a.</i>	21
<i>Meat and poultry, tinned</i>	3	<i>n.a.</i>	2
<i>Meat, others</i>	14	<i>n.a.</i>	17
Salt-water fish	47	<i>n.a.</i>	38
Fresh water fish	29	<i>n.a.</i>	31
Other fresh water products	6	-	15
Processed sea products	15	<i>n.a.</i>	16
Fresh vegetables	72	59.3	61
Processed vegetables	4	-	4
Fresh fruit	34	112.9	37
Processed fruit	2	-	2
Dairy products (milk products)	32	139.7	34
Eggs	9	8.8	6
Edible oils (oil & margarine)	14	18.2	13
Drinks (tea)	17	0	16
Sugar	1	<i>n.a.</i>	1
Confectionery (jam)	4	3.7	7
Flavourings and additives	6	68.4	5
Foods, others	19	-	23
FUEL & LIGHT	88	92.2	88
Electricity	48	50.0	49
Liquefied petroleum gas	11	40.4	9
Fuel, others	29	1.8	30

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

**Table 2 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Child in Family)(cont'd)**

ALCOHOLIC DRINKS & TOBACCO	0	-	0
Chinese wine	0	-	0
Foreign-style wine	-	-	-
Beer	0	-	0
Cigarettes	-	-	-
Cigar & tobacco	-	-	-
CLOTHING & FOOTWEAR	94	112.3	116
DURABLE GOODS	39	106.7	61
Furniture	8	33.2	2
Electrical appliances	19	38.4	24
Video & sound equipment	5	12.0	15
Glass, crockery & earthenware	1	3.6	3
Hardware, ironmongery & cutlery	2	1.5	1
Watches, cameras & optical goods	1	n.a.	1
Travel & sports goods	2	7.9	12
Durable goods, others	2	10.1	3
MISCELLANEOUS GOODS	70	107.7	75
Proprietary medicines & supplies	7	4.2	8
Newspapers	7	-	8
Books and periodicals	1	-	5
Stationery	-	0.8	-
Soft furnishings	4	25.2	2
Cosmetics & toilet requisites	29	40.2	27
Soap & detergents	9	7.3	7
Jewellery	0	-	1
Toys & hobbies	3	21.7	12
Household goods, others	9	8.4	5

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

**Table 2 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Child in Family)**

TRANSPORT & VEHICLES	15	16.3	15
Purchases of repairs to motor vehicles	n.a.	n.a.	n.a.
Motor fuel & lubricant	n.a.	n.a.	n.a.
Motor licences, insurance, etc.	n.a.	n.a.	n.a.
Bus fares	n.a.	n.a.	n.a.
Tram fares	n.a.	n.a.	n.a.
Public light bus fares	n.a.	n.a.	n.a.
Taxi fares	n.a.	n.a.	n.a.
MTR fares	n.a.	n.a.	n.a.
Ferry fares	n.a.	n.a.	n.a.
Train fares	n.a.	n.a.	n.a.
Light Rail Transit fares	n.a.	n.a.	n.a.
Transport, others	n.a.	n.a.	n.a.
MISCELLANEOUS SERVICES	66	37.6	97
Hairdressing	8	12.5	4
Other services	58	25.0	93
<i>School fees</i>	44	-	62
<i>Other educational charges</i>	-	-	-
<i>Medical services</i>	1	-	2
<i>Cinema entertainment</i>	2	n.a.	3
<i>Package tours</i>	1	n.a.	9
<i>Expenses on dinner parties</i>	0	n.a.	1
<i>Other entertainment & holiday expenses</i>	4	n.a.	5
<i>Household services</i>	0	n.a.	0
<i>Repairs to personal & household goods</i>	1	n.a.	0
<i>Subscriptions & other services</i>	3	n.a.	2
<i>Postal service</i>	0	n.a.	0
<i>Telephone services</i>	2	-	9
TOTAL	1127	1168.2	1306

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3

**Table 3 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Adult in Family)**

Commodities / Services	Expenditure (HK\$)		
	CSSA Recipients	Basic Needs Approach	Lowest 5% income group
FOOD	714	799.1	958
Meals Bought Away From Home	181	n.a.	407
Meals Taken At Home	533	n.a.	551
Rice	29	68.2	30
Other cereals & cereal preparations (cereal/noodle)	15	10.1	11
Bread, cakes, biscuits and puddings	38	92.8	32
Meat	238	228.0	245
<i>Pork, locally slaughtered</i>	73	n.a.	69
<i>Beef, locally slaughtered</i>	13	n.a.	13
<i>Other fresh meat</i>	0	n.a.	1
<i>Live poultry</i>	20	n.a.	31
<i>Meat and poultry, frozen</i>	29	n.a.	22
<i>Meat and poultry, tinned</i>	3	n.a.	3
<i>Meat, others</i>	15	n.a.	20
<i>Salt-water fish</i>	52	n.a.	50
<i>Fresh water fish</i>	33	n.a.	36
Other fresh water products	5	-	18
Processed sea products	15	n.a.	17
Fresh vegetables	77	84.5	68
Processed vegetables	5	-	4
Fresh fruit	35	136.6	43
Processed fruit	2	-	2
Dairy products (milk products)	13	58.7	10
Eggs	8	8.9	6
Edible oils (oil and margarine)	16	27.4	16
Drinks (tea)	13	6.6	20
Sugar	1	n.a.	1
Confectionery (jam)	2	4.0	6
Flavourings and additives	7	73.3	6
Foods, others	16	-	18
FUEL & LIGHT	91	92.2	95
Electricity	50	50.0	51
Liquefied petroleum gas	13	40.4	14
Fuel, others	28	1.8	29

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

Table 3 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95* (Adult in Family) (cont'd)

ALCOHOLIC DRINKS & TOBACCO	50	-	37
Chinese wine	3	-	0
Foreign-style wine	1	-	4
Beer	3	-	6
Cigarettes	42	-	27
Cigar & tobacco	0	-	-
CLOTHING & FOOTWEAR	63	203.8	152
DURABLE GOODS	39	112.2	62
Furniture	8	34.1	2
Electrical appliances	19	38.4	28
Video & sound equipment	3	12.0	16
Glass, crockery & earthenware	1	3.6	2
Hardware, ironmongery & cutlery	1	1.5	2
Watches, cameras & optical goods	1	n.a.	6
Travel & sports goods	4	9.2	6
Durable goods, others	3	13.4	1
MISCELLANEOUS GOODS	110	98.2	135
Proprietary medicines & supplies	29	4.2	19
Newspapers	16	-	25
Books and periodicals	2	-	5
Stationery	-	0.8	-
Soft furnishings	7	25.2	12
Cosmetics & toilet requisites	30	52.3	28
Soap & detergents	10	7.3	10
Jewellery	1	-	17
Toys & hobbies	2	0	2
Household goods, others	13	8.5	16

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

Table 3 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95* (Adult in Family)

TRANSPORT & VEHICLES	78	126.2	130
Purchases of repairs to motor vehicles	1	n.a.	-
Motor fuel & lubricant	-	n.a.	3
Motor licences, insurance, etc.	0	n.a.	8
Bus fares	29	n.a.	54
Tram fares	0	n.a.	1
Public light bus fares	11	n.a.	17
Taxi fares	9	n.a.	10
MTR fares	7	n.a.	21
Ferry fares	1	n.a.	1
Train fares	8	n.a.	12
Light Rail Transit fares	10	n.a.	3
Transport, others	1	n.a.	0
MISCELLANEOUS SERVICES	41	64.9	137
Hairdressing	15	34.7	10
Other services	26	30.2	126
<i>School fees</i>	1	-	54
<i>Other educational charges</i>	-	-	-
<i>Medical services</i>	8	-	12
<i>Cinema entertainment</i>	0	n.a.	6
<i>Package tours</i>	1	n.a.	6
<i>Expenses on dinner parties</i>	0	n.a.	-
<i>Other entertainment & holiday expenses</i>	5	n.a.	4
<i>Household services</i>	0	n.a.	0
<i>Repairs to personal & household goods</i>	2	n.a.	6
<i>Subscriptions & other services</i>	7	n.a.	14
<i>Postal service</i>	0	n.a.	0
<i>Telephone services</i>	3	-	24
TOTAL	1186	1496.5	1707

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

Table 4 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95*
(Elderly in Family)

Commodities / Services	Expenditure (HK\$)		
	CSSA Recipients	Basic Needs Approach	Lowest 5% income group
FOOD	749	687.8	948
Meals Bought Away From Home	211	n.a.	330
Meals Taken At Home	538	n.a.	618
Rice	31	45.8	25
Other cereals & cereal preparations (cereal/noodle)	7	10.1	7
Bread, cakes, biscuits and puddings	24	82.7	24
Meat	252	190.0	293
<i>Pork, locally slaughtered</i>	75	n.a.	79
<i>Beef, locally slaughtered</i>	14	n.a.	15
<i>Other fresh meat</i>	1	n.a.	0
<i>Live poultry</i>	20	n.a.	42
<i>Meat and poultry, frozen</i>	12	n.a.	17
<i>Meat and poultry, tinned</i>	1	n.a.	2
<i>Meat, others</i>	22	n.a.	26
<i>Salt-water fish</i>	52	n.a.	62
<i>Fresh water fish</i>	55	n.a.	50
Other fresh water products	5	-	17
Processed sea products	17	n.a.	18
Fresh vegetables	89	63.4	88
Processed vegetables	4	-	4
Fresh fruit	36	136.6	64
Processed fruit	1	-	1
Dairy products (milk products)	6	56.2	8
Eggs	8	8.9	7
Edible oils (oil and margarine)	21	14.0	20
Drinks (tea)	8	6.9	13
Sugar	1	n.a.	1
Confectionery (jam)	2	0	4
Flavourings and additives	5	73.3	8
Foods, others	19	-	16
FUEL & LIGHT	94	92.2	100
Electricity	47	50.0	51
Liquefied petroleum gas	14	40.4	25
Fuel, others	32	1.8	24

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

Table 4 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95* (Elderly in Family) (cont'd)

ALCOHOLIC DRINKS & TOBACCO	42	-	64
Chinese wine	5	-	2
Foreign-style wine	1	-	-
Beer	1	-	8
Cigarettes	35	-	53
Cigar & tobacco	0	-	-
CLOTHING & FOOTWEAR	26	202.0	56
DURABLE GOODS	10	117.7	28
Furniture	1	34.1	3
Electrical appliances	2	41.8	20
Video & sound equipment	5	12.0	4
Glass, crockery & earthenware	0	5.7	0
Hardware, ironmongery & cutlery	1	1.5	0
Travel & sports goods	0	9.2	1
Durable goods, others	0	13.4	-
MISCELLANEOUS GOODS	82	100.7	90
Proprietary medicines & supplies	37	7.3	18
Newspapers	13	-	30
Books and periodicals	0	-	3
Stationery	-	0.8	-
Soft furnishings	3	27.1	2
Cosmetics & toilet requisites	13	49.7	16
Soap & detergents	8	7.3	6
Jewellery	0	-	4
Toys & hobbies	0	0	0
Household goods, others	8	8.5	12

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Appendix 3 (cont'd)

Table 4 - Comparison on the Expenditure of the BN Budget, CSSA Recipients and the Lowest 5% Income Group, 1994/95* (Elderly in Family) (cont'd)

TRANSPORT & VEHICLES	35	96.9	102
Purchases of repairs to motor vehicles	0	n.a.	-
Motor fuel & lubricant	-	n.a.	-
Motor licences, insurance, etc.	-	n.a.	1
Bus fares	11	n.a.	31
Tram fares	0	n.a.	0
Public light bus fares	6	n.a.	10
Taxi fares	9	n.a.	13
MTR fares	2	n.a.	16
Ferry fares	2	n.a.	12
Train fares	2	n.a.	8
Light Rail Transit fares	2	n.a.	2
Transport, others	1	n.a.	9
MISCELLANEOUS SERVICES	38	69.8	51
Hairdressing	12	34.7	11
Other services	26	35.2	40
<i>School fees</i>	0	-	1
<i>Other educational charges</i>	-	-	-
<i>Medical services</i>	8	-	7
<i>Cinema entertainment</i>	-	n.a.	-
<i>Package tours</i>	1	n.a.	-
<i>Expenses on dinner parties</i>	-	n.a.	-
<i>Other entertainment & holiday expenses</i>	1	n.a.	0
<i>Household services</i>	13	n.a.	2
<i>Repairs to personal & household goods</i>	0	n.a.	8
<i>Subscriptions & other services</i>	1	n.a.	5
<i>Postal service</i>	0	n.a.	0
<i>Telephone services</i>	1	-	17
TOTAL	1077	1367.1	1440

- Remarks:
1. '*' at Oct 94-Sept 95 prices based on 1994/95 HES data.
 2. '0' represents less than 0.5 and '-' represents nil expense.
 3. Descriptions in parentheses refer to comparable commodities/services in the BN budget.
 4. Figures have been rounded off to the nearest digit which may result in slight discrepancy between the sum of individual items and the total.
 5. n.a. represents information not available.

Sources: Social Welfare Department
Census and Statistics Department

Table 1
Comparison of CSSA Modified Standard Rate With Corresponding Monthly Per Capita Expenditure
of the CSSA and Low Income Groups By Category of Persons
 (at Oct 94 - Sept 95 prices)

Category of Persons	CSSA standard rate and long term supplement per month (1) (MSR) (\$) (a)	Average monthly per capita expenditure (2) (\$) [based on 1994/95 HIES 12-month data]					Difference of MSR over expenditure (3) Surplus / Shortfall (3)				
		CSSA group (b)	Lowest 5% income group (c)	Lowest 10% income group (d)	Lowest 15% income group (e)	Lowest 20% income group (f)	CSSA group (g) (a)-(b)	Lowest 5% income group (h) (a)-(c)	Lowest 10% income group (i) (a)-(d)	Lowest 15% income group (j) (a)-(e)	Lowest 20% income group (k) (a)-(f)
Single able-bodied person											
Child	1,848	*	*	*	*	*	-	-	-	-	
Adult (3)	1,270	1,282	*	*	*	*	-12	-	-	-	
Elderly (4)	1,848	1,327	1,235	1,258	1,404	1,598	521	613	590	444	250
Able-bodied person in family											
Child	1,522	1,127	1,306	1,320	1,417	1,458	395	216	202	105	64
Adult (3)	1,082	1,186	1,707	1,681	1,790	1,806	-104	-625	-599	-708	-724
Elderly (4)	1,522	1,077	1,440	1,594	1,629	1,629	445	82	-72	-107	-107
Disabled child in family (5)											
50% disabled	2,100	*	#	#	#	#	-	-	-	-	-
100% disabled	2,532	*	*	*	*	*	-	-	-	-	-
Requiring constant attendance	3,545	*	*	*	*	*	-	-	-	-	-
Single disabled adult/elderly											
50% disabled (6)	1,848	1,719	#	#	#	#	129	-	-	-	-
100% disabled	2,280	1,516	*	*	*	*	764	-	-	-	-
Requiring constant attendance	3,293	1,920	*	*	*	*	1,373	-	-	-	-
Disabled adult/elderly in family											
50% disabled (6)	1,522	1,261	#	#	#	#	261	-	-	-	-
100% disabled	1,960	1,165	976	1,422	1,633	1,634	795	934	538	327	326
Requiring constant attendance	2,965	1,464	1,525	1,459	1,562	1,639	1,501	1,440	1,506	1,403	1,326

- Notes:**
- (1) MSRs (Modified Standard Rates) at Oct 94 - Sept 95 level are calculated by taking the average MSR at 94/95 and 95/96 level. The real improvement of \$205 is included in the MSR for child at 94/95 level.
 - (2) Expenditure on all commodities and services other than those covered by special grants under the CSSA Scheme or provided free by Government.
 - (3) For low income groups, able-bodied adult refers to non-working able-bodied adult.
 - (4) For CSSA group, elderly refers to able-bodied elderly and 50% disabled elderly as the two CSSA standard rates are the same.
 - (5) Estimates for single disabled child are not shown as there was no sample observation for the various categories of disabled child in CSSA and low income groups.
 - (6) For CSSA group, 50% disabled adult/elderly refers to 50% disabled adult only.
- * A comparable category in the low income groups cannot be identified.
 # The estimate is considered statistically not suitable to be adopted for reference due to small number of sample observation(s).

Source : Social Welfare Department
 Legco Paper No CB(1) 1218/95-96

Appendix 5

Average monthly per capita expenditure and income of non-working 5% to 20% income group

Category of persons	Lowest 5% income group			Lowest 10% income group			Lowest 15% income group			Lowest 20% income group		
	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people
<u>Single able-bodied person</u>												
Child	*	*	*	*	*	*	*	*	*	*	*	*
Adult	*	*	*	*	*	*	*	*	*	*	*	*
Elderly	417	1,235	5,000	562	1,285	9,000	963	1,436	13,000	1,467	1,618	19,000
<u>Able-bodied person family</u>												
Child	6	1,356	118,000	17	1,369	223,000	13	1,470	308,000	11	1,513	401,000
Adult	401	1,707	70,000	354	1,681	118,000	359	1,790	156,000	322	1,806	205,000
Elderly	726	1,407	48,000	992	1,571	88,000	1,053	1,589	123,000	1,128	1,592	153,000
<u>Disabled child in family</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	*	*	*	*	*	*	*	*	*	*	*	*
Requiring constant attendance	*	*	*	*	*	*	*	*	*	*	*	*
<u>Single disabled adult/elderly</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	-	-	-	*	*	*	*	*	*	*	*	*
Requiring constant attendance	-	-	-	-	-	-	*	*	*	*	*	*
<u>Disabled adult/elderly in family</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	1,142	332	4,000	1,268	1,106	6,000	1,829	1,440	8,000	1,949	1,450	10,000
Requiring constant attendance	2,613	1,525	1,000	2,504	1,443	1,000	2,586	1,553	2,000	2,631	1,634	3,000

Source : Census and Statistics Department

Remarks :-

Information in this table is based on Household Expenditure Survey conducted between October 1994 and September 1995.

- (1) Main sources of income for single/family able-bodied persons are regular contribution from person outside the family, pension, dividend, rental income and also old age allowance for the elderly.
- (2) Main sources of income for disabled adult/elderly persons in family are disability allowance, rental income and regular contribution from person outside the family.

* The estimate is considered statistically not suitable to be adopted for reference due to small number of small observations(s).

A comparable category in the low income groups cannot be identified.

Appendix 6

Average monthly per capita expenditure and income of working lowest 5% to 20% income group

Category of persons	Lowest 5% income group			Lowest 10% income group			Lowest 15% income group			Lowest 20% income group		
	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people	Income in (HK\$)	Expenditure (HK\$)	No. of people
<u>Single able-bodied person</u>												
Child	-	-	-	-	-	-	-	-	-	-	-	-
Adult	-	-	-	-	-	-	*	*	*	*	*	*
Elderly	-	-	-	*	*	*	*	*	*	*	*	*
<u>Able-bodied person family</u>												
Child	-	-	-	-	-	-	-	-	-	-	-	-
Adult	6,199	2,249	54,000	6,802	2,485	112,000	7,062	2,598	175,000	7,325	2,586	255,000
Elderly	4,876	2,012	3,000	5,276	1,967	6,000	5,325	2,073	11,000	5,239	1,986	16,000
<u>Disabled child in family</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	-	-	-	-	-	-	-	-	-	-	-	-
Requiring constant attendance	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single disabled adult/elderly</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	-	-	-	-	-	-	-	-	-	*	*	*
Requiring constant attendance	-	-	-	-	-	-	-	-	-	-	-	-
<u>Disabled adult/elderly in family</u>												
50% disabled	#	#	#	#	#	#	#	#	#	#	#	#
100% disabled	*	*	*	*	*	*	*	*	*	*	*	*
Requiring constant attendance	-	-	-	*	*	*	*	*	*	*	*	*

Source : Census and Statistics Department

Remarks: -

Information in this table is based on the Household Expenditure Survey conducted between October 1994 and September 1995.

* The estimate is considered statistically not suitable to be adopted for reference due to small number of sample observations(s).

A comparable category in the low income groups cannot be identified.

Appendix 7

Supplementary Information on the Scandinavian Welfare States

1. Social Security System of the Scandinavian Welfare States

Table 1 - Nature of Social Benefits in Four Scandinavian Countries

Types of Social Security Programs	Denmark	Finland	Norway	Sweden
Old age, Disability, Survivors	1. Universal pension - non-contributory, means-tested 2. Earnings-related pension - contributory	1. Universal pension - contributory 2. Earnings-related pensions - contributory	1. Universal pension - contributory 2. Earnings-related - contributory	1. Universal pension - contributory 2. Earnings-related insurance - contribution by employers
Sickness and Maternity	1. Medical care - universal and non-contributory 2. Cash sickness and maternity benefits - paid by employers for two weeks and then by government	Insurance scheme - contributory	Insurance scheme - contributory	1. Medical care - universal, non-contributory 2. Cash sickness and maternity benefits - contributory
Work Injury	1. Compulsory insurance with private carriers - contribution by employers 2. Cash benefits - paid by employers for two weeks and then by government	Statutory insurance with private carriers - contribution by employers	Insurance scheme - contribution by employers	Compulsory insurance with public carrier - contribution by employers
Unemployment	Subsidised voluntary insurance scheme - contributory	1. Subsidised voluntary insurance scheme - contributory 2. Unemployment assistance - universal, non-contributory	Insurance scheme - contributory	1. Unemployment insurance scheme - contributory 2. Labour-market cash benefit - contribution by employers
Family Allowances	Universal and non-contributory	Universal and non-contributory	Universal and non-contributory	Universal and non-contributory

Remarks : 1, 2 - Two types of schemes co-exist

Source : Social Security Programs Throughout the World - 1995, Social Security Administration

Appendix 7 (cont'd)

1.1 The Scandinavian welfare states provide comprehensive social protection programs to their citizens. Many of the programs are universally available to all citizens.

Table 2 - Financing of Social Security Expenditure

	Denmark	Finland	Norway	Sweden
1981				
Public authorities	87.4	43.7	41.5	50.1
Employers	10.4	48.5	38.2	48.9
The insured	2.2	7.8	20.3	1.0
1992				
Public authorities	87.3	50.8	58.9	54.9
Employers	7.3	38.1	25.5	43.5
The insured	5.4	11.1	15.6	1.6
Total social security expenditure in million KR/FIM	269,085	168,739	222,001	557,067
Social security expenditure per capita in PPP*	55,544	50,011	51,792	61,974

Remarks : * For comparison between countries, social expenditure was converted into purchasing power parities (PPP) with the Norwegian currency as the basis for calculation.
% of financing was based on contributions by public authorities, employers and employees

Source : Nordic Social-Statistical Committee 1995

1.2 The public authorities of Denmark paid a much bigger share at 87% of the social security expenditure than the employers and employees in the country.

Appendix 7 (cont'd)

1.3 Sweden spent more money on social security programs than the other three countries in terms of total expenditure and per capita expenditure.

Table 3 - Percentage of the Adult* Population Receiving Social Assistance

	Denmark	Finland	Norway	Sweden
1981	6.5 %	3.1%	2.2%	3.4%
1984	6.8%	3.2%	3.5%	5.4%
1987	5.9%	5.4%	3.9%	5.6%
1990	7.4%	5.9%	5.3%	5.0%
1993	8.2%	9.6%	5.8%	6.7%
Total Population in 1993	5.2 million	5.1 million	4.3 million	8.7 million

Remark: * Adult refers to people aged 18 and above
Source: Nordic Social-Statistical committee 1995

1.4 All citizens in the Scandinavian countries are guaranteed a minimum of social security. In the cases where the individual is not able to support himself or not included in the normal social security schemes, social assistance may be provided.

1.5 The number of adults receiving social assistance in the four Scandinavian countries was on the increase. Sweden had more adults receiving social assistance than the other three countries. The number reached 582,900 in 1993.

Appendix 7 (cont'd)

2. Tax Rates in Scandinavian Welfare States

Table 4 - Taxes as a Percentage of GDP

	Direct taxes	Social security contributions	Indirect taxes
Denmark 1992	29.8%	1.5%	17.3%
Finland 1992	17.3%	14.9%	15%
Norway 1991	17.5%	12.2%	16.8%
Sweden 1991	19.9%	15.3%	18%

Source : OECD Economic Surveys

2.1 In financing the high level of social security expenditure, governments of the Scandinavian countries relied heavily on direct taxes such as income tax as a major source of revenue. Another major source of revenue for Finland, Norway and Sweden was social security contributions by employers and employees.

Table 5 - Personal Income Tax Rates in Four Scandinavian Countries, 1993

	Denmark	Finland	Norway	Sweden
Average rate of state income tax (%)	22 - 40	7 - 39	9.5 - 23.2	0-20
Average rate of local tax (%)	30.0	17.2	28	31.4
Capital income tax (%)	/	25	/	30

Source : OECD Economic Surveys
OECD Taxation and Household Savings : Country Survey

Appendix 7 (cont'd)

2.2 In return for comprehensive social protection, the people of the four Scandinavian countries have to pay a large portion of their income to the government. Income earned from employment and business were taxed together with capital income (including interest, dividend, rental income and capital gains) in Denmark and Norway while the two types of income were taxed separately in Finland and Sweden.

3. Changes in Social Security Expenditure**Table 6 - Percentage of Social Security Expenditure to GDP**

Year	Denmark	Finland	Norway	Sweden
1962	n.a.	9.62%	8.83%	11.11%
1972	20.29%	15.14%	18.66%	18.38%
1982	28.13%	23.31%	22.49%	33.52%
1992	31.5%	35.4%	31.6%	38.7%

Remark : n.a. represents information not available

Source : OECD Policy Studies No. 12
Nordic Social-Statistical Committee 1995

3.1 While there have been reforms to make the various social security schemes more cost-effective, there is no evidence to show that the four countries have drastically reduced their expenditure in social security.

3.2 The four countries have been spending increasingly more of their GDP on social security in the past decades. The four countries spent more than one-third of the GDP on social security in the early 1990s.

Appendix 8

Supplementary Information on the Social Security System of Macau

Macau had relied solely on its public assistance scheme to provide financial help to the old, the poor, the sick and the disabled until 1989 when the government established the social insurance scheme.

I. Social Insurance Scheme

This is a compulsory contributory scheme set up on 18 December 1989. The objective of the scheme is to provide protection to the employed when they become old, disabled, sick or unemployed. In 1994, 157,938 workers have joined the scheme. They represented 38% of the total population at 410,500 in 1994.

Contributions to the scheme are made by employers, employees and the government. Employers contribute \$20 per local worker and \$30 per overseas worker every month. Employees pay \$10 per month to the scheme. In addition, the government will allocate not less than 1% of the annual budget to the scheme every year. At the end of 1994, the fund of the scheme reached \$350 million. The scheme spent \$20.4 million and \$40.7 million in providing allowance to various types of recipients in 1994 and 1995 respectively.

Table 1 - Major Benefits of the Social Insurance Scheme, 1995

Type of benefits	Eligibility	Allowance	Number of recipients
Old age allowance	> 65 years old > 7 years of residency > 60 months' contributions	\$800 per month	1,300 per month
Disability allowance	> 18 years old > 7 years of residency > 36 months' contributions - disabled and certified as not suitable to work	\$800 per month	118 per year
Unemployment allowance	> 15 days of involuntary unemployment - contribution in the past 12 months	\$35 per day (maximum for 90 days)	714 per year
Sickness allowance	- contribution in 9 of the past 12 months	Hospitalised - \$55 for 180 days Non-hospitalised - \$40 for 30 days	n.a.

Remark : n.a. represents information not available

Source : Macau Foundation

Appendix 8

II. Public Assistance Scheme

This is a non-contributory and means-tested scheme. The scheme aims to provide financial assistance to those not covered by social insurance to sustain the minimum standard of living. The scheme is entirely funded by the government.

Types of benefits offered by the scheme include allowance for the elderly, low-income families, those who have lost working ability completely or partially, the sick and the disabled.

The government spent \$13 million and \$15 million in paying allowance to recipients in 1994 and 1995 respectively. The scheme provided assistance to an average of 2,420 recipients per month. The number of cases represented 0.6% of total population at 410,500 in 1994.

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