
INFORMATION NOTE

Profile of Employed Persons Who Earned Less Than HK\$8,000 a Month

1. Background

1.1 On 27 May 1999, the Legislative Council Panel on Manpower requested the Research and Library Services Division to provide information on the breakdown by sex, occupation, and hours of work for employed persons who earned less than HK\$8,000 a month. The Panel is interested to know the profile of lower income workers as they might benefit from a minimum wage system in Hong Kong. (For the discussion of the experience of some places outside Hong Kong in implementing their minimum wage systems, please refer to the research report entitled *Minimum Wage Systems*, RP08/98-99).

2. Profile of Employed Persons with Monthly Employment Earnings of Less Than HK\$8,000 by Monthly Employment Earnings and Their Distribution by Sex

2.1 In February – April 1999, there were 900 100 persons (or 26.2% of the labour force) who earned less than HK\$8,000 a month (see Table 1). One point worthy of mention is the group of workers earning between HK\$3,000 and HK\$3,999, which is the largest group under study. They comprised mainly female workers (179 000 female workers compared to 21 300 male workers in February – April 1999) and they included domestic workers. As there is no nationality breakdown in the General Household Surveys, we have not been able to ascertain how many were foreign domestic workers and how many were local workers. Nevertheless, we can infer that the total number of local workers earning between HK\$3,000 and HK\$3,999 a month is less than the statistics gathered.

2.2 It can be computed from Table 1 that the number of employed persons earning less than HK\$6,000 a month increased by 32 500 persons or 6.7% between October – December 1998 and February – April 1999. In particular, the number of employed persons in the income groups of monthly employment earnings of less than HK\$4,000 increased by 29 400 persons or 11.2% between October – December 1998 and February – April 1999. On the other hand, the number of persons earning between HK\$6,000 and HK\$7,999 a month decreased by 43 700 persons or 10.2% in the same period. This may reflect that the people in the lower income groups were affected by the economic recession in two ways: they experienced a job loss or their salaries were cut.

2.3 Another observation is that female workers dominated the income groups of monthly employment earnings of less than HK\$5,000. In February – April 1999, there were 302 000 female workers who earned less than HK\$5,000 a month; they accounted for 8.8% of the labour force.

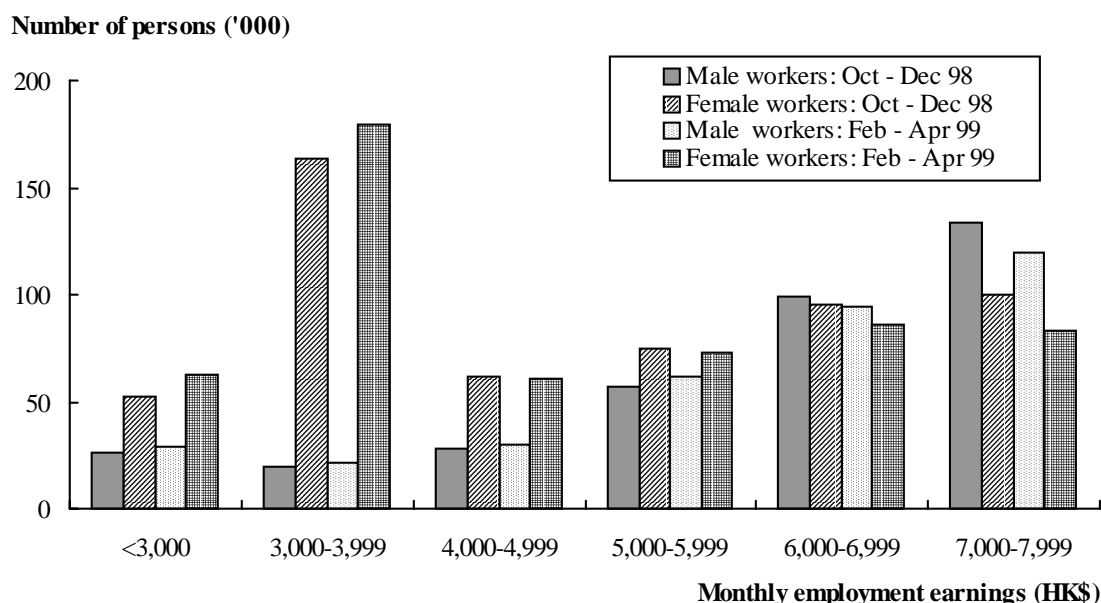
Table 1 – Employed Persons with Monthly Employment Earnings of Less Than HK\$8,000 by Monthly Employment Earnings and Their Distribution by Sex

Monthly Employment Earnings (HK\$)	Sex					
	Male ('000)		Female ('000)		Total ('000)	
	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999
< 3,000	26.0	28.8	52.7	62.2	78.7	91.0
3,000 - 3,999	19.4	21.3	163.8	179.0	183.2	200.3
4,000 - 4,999	28.1	29.6	61.4	60.8	89.5	90.4
5,000 - 5,999	57.3	61.9	75.0	72.6	132.3	134.5
6,000 - 6,999	98.7	94.3	95.7	86.4	194.5	180.7
7,000 - 7,999	133.2	120.0	99.8	83.1	233.0	203.1
Total ¹	362.7	355.9	548.5	544.2	911.2	900.1

Note : ¹ Figures may not add up to the totals owing to rounding.

Source: Census and Statistics Department, General Household Surveys Conducted in October – December 1998 and February – April 1999

Figure 1 - Employed Persons with Monthly Employment Earnings of Less Than HK\$8,000 by Monthly Employment Earnings and Their Distribution by Sex



Source: Census and Statistics Department, General Household Surveys Conducted in October – December 1998 and February – April 1999

3. Profile of Employed Persons with Monthly Employment Earnings of Less Than HK\$8,000 by Monthly Employment Earnings and Occupation

3.1 As shown in Table 2, in February – April 1999 the three largest categories of occupation with monthly employment earnings of less than HK\$8,000 were elementary occupations (404 900 persons), service workers and shop sales workers (158 300 persons), and clerks (125 100 persons). The total number of employed persons in these three categories was 688 300 which accounted for 20.0% of the total force.

3.2 As domestic helpers are classified in the category of elementary occupations and there is no nationality breakdown in the General Household Surveys, the number of local workers in this occupational category would be fewer than 404 900 persons in February – April 1999.

Table 2 – Employed Persons with Monthly Employment Earnings of Less than HK\$8,000 by Monthly Employment Earnings and Occupation

Occupation	Monthly Employment Earnings (HK\$)												Total ³	
	< 3,000 (‘000)		3,000 – 3,999 (‘000)		4,000 – 4,999 (‘000)		5,000 – 5,999 (‘000)		6,000 – 6,999 (‘000)		7,000 – 7,999 (‘000)		Oct – Dec 1998	Feb – Apr 1999
	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999
Elementary occupations ¹	25.9	28.1	153.7	167.8	49.4	44.6	59.8	54.4	73.5	60.7	60.5	49.2	422.9	404.9
Service workers and shop sales workers	24.9	28.3	11.4	11.1	12.8	15.5	25.3	27.4	38.6	36.2	46.2	39.9	159.2	158.3
Clerks	9.4	12.5	3.9	5.2	5.3	5.5	13.7	15.5	36.8	34.4	59.5	52.1	128.5	125.1
Craft and related workers	4.5	5.5	4.5	6.5	7.4	9.9	12.5	14.9	17.3	18.9	28.0	28.0	74.2	83.7
Plant and machine operators and assemblers	5.9	7.1	6.6	6.1	10.8	8.9	12.5	12.4	17.7	18.7	23.8	21.8	77.2	75.1
Others ²	8.2	9.5	3.1	3.5	3.8	6.0	8.6	9.8	10.6	11.9	15.0	12.2	49.3	52.9
Total ³	78.7	91.0	183.2	200.3	89.5	90.4	132.3	134.5	194.5	180.7	233.0	203.1	911.2	900.1

Notes : ¹ These included street vendors, domestic helpers and cleaners, messengers, private security guards, watchmen, freight handlers, lift operators, construction labourers, hand packers, and agricultural and fishery labourers.

² These included managers and administrators, professionals, associate professionals, and skilled agricultural and fishery workers.

³ Figures may not add up to the totals owing to rounding.

Source: Census and Statistics Department, General Household Surveys Conducted in October – December 1998 and February – April 1999

4. Profile of Employed Persons with Monthly Employment Earnings of Less Than HK\$8,000 by Monthly Employment Earnings and Hours of Work

4.1 In February – April 1999, there were 351 800 persons who earned less than HK\$8,000 a month and worked 50 hours and over¹ during the seven days before enumeration²; most of them were in the HK\$3,000 – HK\$3,999 income group (see Table 3). This total represented a 1% increase over the comparable figure of 348 400 persons in September – December 1998.

4.2 In February – April 1999, there were 134 200 persons in the HK\$3,000 – HK\$3,999 income group who worked 50 hours and over during the seven days before enumeration; this represented an increase of 5.7% over the comparable figure of 127 000 persons in September – December 1998.

4.3 The number of persons who worked less than 30 hours during the seven days before enumeration increased by 31.8% from 127 300 persons in September – December 1998 to 167 800 persons in February – April 1999. The rapid increase may be in part due to the fact that some people might have lost their full-time jobs and worked part-time.

4.4 It should be noted that in February – April 1999 there were 27 800 persons who earned less than HK\$3,000 a month and worked 40 hours and over during the seven days before enumeration. These workers would benefit from the introduction of a minimum wage system if the minimum wage level was set at HK\$23.7³.

¹ These employed persons worked more than the median working hours (i.e. 45 hours).

² The Census and Statistics Department follows the international guideline by using the seven days before enumeration as the reference period.

³ In March 1999, in all selected occupations, the workers' average monthly salary in Hong Kong was HK\$11,371. We assume the number of standard working hours per month is 192 hours (8 hours per day × 24 working days per month). The hourly wage rate would be HK\$59.2 (i.e. HK\$11,371 ÷ 192 working hours). Based on the findings of the research on minimum wage systems, in international communities, the ratios of the minimum wage relative to average wage range from 40% to 60%. If Hong Kong were to establish a minimum wage system and follows the international trend in setting the minimum wage level, these rates might be considered. The hourly rate would range from HK\$23.7 to HK\$35.5; whereas the monthly rate would be between HK\$4,548 and HK\$6,823.

Table 3 – Employed Persons with Monthly Employment Earnings of Less than HK\$8,000 by Monthly Employment Earnings and Hours of Work

Hours of Work ¹	Monthly Employment Earnings (HK\$)													
	< 3,000 ('000)		3,000 – 3,999 ('000)		4,000 – 4,999 ('000)		5,000 – 5,999 ('000)		6,000 – 6,999 ('000)		7,000 – 7,999 ('000)		Total ² ('000)	
	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999	Oct – Dec 1998	Feb – Apr 1999
<20	28.5	36.9	10.4	13.7	6.5	8.8	6.3	11.6	4.7	12.0	5.6	12.6	61.9	95.6
20 – 29	14.7	16.0	14.2	14.0	8.7	9.3	8.6	10.7	9.8	10.7	9.5	11.6	65.4	72.2
30 – 39	7.7	10.4	10.3	12.7	11.2	11.3	13.4	13.0	20.1	17.3	26.2	21.5	89.0	86.2
40 – 49	12.5	14.4	21.3	25.7	33.8	29.7	59.2	52.2	95.9	75.7	123.8	96.6	346.5	294.3
50 and over	15.3	13.4	127.0	134.2	29.3	31.3	44.8	47.0	64.0	65.1	68.0	60.9	348.4	351.8
Total ²	78.7	91.0	183.2	200.3	89.5	90.4	132.3	134.5	194.5	180.7	233.0	203.1	911.2	900.1

Notes: ¹ This refers to hours of work during the seven days before enumeration.

² Figures may not add up to the totals owing to rounding.

Source: Census and Statistics Department, General Household Surveys Conducted in October – December 1998 and February – April 1999

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