

For meeting on
12 April 2012

Legislative Council Panel on Manpower

Major findings of the 2011 Annual Earnings and Hours Survey

Purpose

This paper briefs Members on the salient findings of the 2011 Annual Earnings and Hours Survey (AEHS).

Background

2. The AEHS has been conducted by the Census and Statistics Department annually since 2009 to collect wage, employment and demographic information of employees in Hong Kong. The statistics compiled from the survey are useful for studies on labour-related topics by the private sector and the Government. They are also essential inputs for analyses related to the statutory minimum wage (SMW). A sample of about 10 000 business undertakings was selected for the survey in 2011.

3. The reference period of the 2011 AEHS was May – June 2011, while that of the previous rounds of the survey was the second quarter of the year (i.e. April – June). By changing the reference period, the 2011 survey results could reflect the wage distribution of employees after the implementation of SMW, which came into effect on 1 May 2011.

Major findings

Monthly wages

4. The median monthly wage of employees in Hong Kong (excluding employees in the Government as well as student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance (MWO)) in May – June 2011 was \$12,800. This was 8.5% higher than the median of \$11,800 in the second quarter of 2010.

5. Increase in median monthly wage was generally observed for both male and female employees and across the board for all age groups, educational attainment levels, occupational groups and industry sections.

6. The 10th, 25th, 75th and 90th percentile monthly wages were \$6,900, \$9,000, \$20,000 and \$34,400 respectively. They were 17.7%, 12.5%, 11.1% and 14.5% higher than the corresponding figures in the second quarter of 2010. In general, lower-paid employees were observed to enjoy significant pay increase in May – June 2011 when compared with the second quarter of 2010.

7. The change in monthly wage in 2011 when compared with 2010 is useful in reflecting the change in take-home pay of employees between these two years. In general, the increase in monthly wage was more significant for employees with lower educational attainment, engaged in elementary occupations and belonging to lower income groups, as well as for employees engaged in the low-paying sectors. Detailed statistics on monthly wages are presented in **Annex 1**.

Hourly wages

8. The median hourly wage of employees in Hong Kong in May – June 2011 was \$52.4. The lower and upper quartile hourly wages were \$36.0 and \$82.5 respectively. The number and percentage of employees earning less than selected hourly wage levels are shown in **Annex 2**.

9. In May – June 2011, the median hourly wage for male employees was \$57.5 while that for female employees was \$47.1. The median hourly wage of male employees was higher than that of female employees mainly because the proportion of male employees who had completed education at Secondary 6 or above level was higher than the corresponding proportion of female employees.

10. More detailed statistics on hourly wages for May – June 2011 are given in **Annex 3**.

Hourly wages derived based on a method close to the one used in 2010

11. The hourly wages for 2011 presented above are compiled using a method¹ which takes into account the definitions of hours worked and wages payable under the MWO such that the data can be directly used for analyses related to the SMW. They are not directly comparable with the published

¹ Hourly wages for 2011 were derived by dividing the amount of wages paid in the wage period, with deduction of the payments related to rest days and meal breaks which were not regarded as working hours, by the number of working hours in the same wage period. Meal breaks were included in the definition of working hours if the time period concerned was regarded as working hours according to the employment contract or agreement with the employer.

hourly wage figures for years before 2011² when the MWO had not been implemented.

12. To facilitate comparison with the 2010 figures, a set of hourly wage statistics for 2011 have been compiled based on a method close to the one used in 2010, as presented in **Annex 4**. When comparing this set of figures with those for 2010, increases in hourly wage were generally observed at various percentiles of wage levels, with more significant increases for employees earning lower hourly wages.

13. Despite the change in the calculation method of hourly wage in 2011, there is no change to the definition of monthly wage, which refers to the total monthly wage paid to an employee. Direct comparison of monthly wage figures between 2010 and 2011 is hence not affected.

Median weekly working hours

14. The AEHS also collects data on hours worked by employees. In May – June 2011, the median weekly working hours of Hong Kong employees was 45.0. This figure included those meal breaks which were regarded as working hours according to the employment contract or agreement with the employer, in addition to contractual/agreed working hours and overtime hours worked at the direction of employer. If such meal breaks were excluded following broadly a method close to the one used in 2010, the resultant median weekly working hours in May – June 2011 would become 44.3, which was the same as the median weekly working hours for April – June 2010.

15. More detailed statistics on working hours are given in **Annex 5**.

Census and Statistics Department
March 2012

² Since data on payments for rest days and meal breaks were not readily available for collection before 2011, hourly wages before 2011 were derived by dividing the amount of wages paid (i.e. including wages related to rest days and meal breaks) by the number of working hours. Meal breaks were excluded from the definition of working hours if no work was done or to be done during the time period concerned.

Key Monthly Wage Statistics, May – June 2011

	(HK\$)	% change over April – June 2010
Overall distribution		
10 th percentile	6,900	+17.7
25 th percentile	9,000	+12.5
50 th percentile (median)	12,800	+8.5
75 th percentile	20,000	+11.1
90 th percentile	34,400	+14.5
Median monthly wage by sex		
Male	14,200	+9.2
Female	11,000	+7.8
Median monthly wage by age group		
15-24	9,000	+12.5
25-34	13,100	+6.0
35-44	15,000	+7.1
45-54	12,700	+7.7
≥55	11,000	+22.2
Median monthly wage by educational attainment		
Primary and below	8,700	+20.1
Secondary 1 to 3	10,000	+11.1
Secondary 4 to 5	11,700	+7.2
Secondary 6 and above	20,000	+7.2
Median monthly wage by occupational group		
Elementary occupations	8,400	+19.3
Service workers and shop sales workers	9,400	+10.7
Craft and related workers, plant and machine operators and assemblers	13,200	+6.5
Clerks	10,700	+6.9
Managers and administrators, professionals and associate professionals	21,300	+6.6

Annex 1 (cont'd)

Median monthly wage by industry section	(HK\$)	% change over April – June 2010
Manufacturing (excluding food processing and production)	12,000	+7.4
Electricity and gas supply; sewerage, waste management and remediation activities	22,000	+6.8
Construction	15,200	+10.9
Import and export trade	14,500	+11.5
Wholesale	11,000	+5.8
Retail trade	9,900	+10.2
Land transport	13,300	+6.3
Other transportation, storage, postal and courier services (excluding local courier services)	13,400	+8.2
Restaurants	9,000	+12.5
Accommodation ⁽¹⁾ and other food service activities	11,800	+4.7
Information and communications	16,000	+6.7
Financing and insurance	21,700	+13.7
Real estate activities (excluding real estate maintenance management)	16,300	+5.4
Estate management, security and cleaning services	8,700	+24.8
Professional, scientific and technical activities	17,600	+8.2
Administrative and support services activities	12,500	+8.2
Travel agency, reservation service and related activities	10,800	+12.5
Education and public administration (excluding the Government)	22,400	+4.7
Human health activities; and beauty and body prettifying treatment	15,000	+4.9
Miscellaneous activities ⁽²⁾	8,700	+16.9
Other activities not classified above	11,700	+12.0

Notes: Monthly wages are rounded to the nearest hundred of Hong Kong dollar. Percentage change is calculated using unrounded figures.

- (1) Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.
- (2) Including (i) elderly homes; (ii) laundry and dry cleaning services; (iii) hairdressing and other personal services; (iv) local courier services; and (v) food processing and production.

**Number and Percentage of Employees Analysed
by Selected Hourly Wage Level, May – June 2011**

Hourly wage	Number of employees involved	(% of all employees)
\$28	180 600	(6.4)
Less than \$29	250 500	(8.9)
Less than \$30	327 200	(11.7)
Less than \$31	404 300	(14.4)
Less than \$32	462 400	(16.5)
Less than \$33	518 000	(18.5)
Less than \$34	581 300	(20.7)
Less than \$35	643 800	(22.9)
Less than \$36	700 100	(24.9)
Less than \$37	749 500	(26.7)
Less than \$38	799 000	(28.5)
Less than \$39	851 900	(30.4)
Less than \$40	895 500	(31.9)

Key Hourly Wage Statistics, May – June 2011

	<u>(HK\$)</u>
Overall distribution	
5 th percentile	28.0
10 th percentile	29.3
25 th percentile	36.0
50 th percentile (median)	52.4
75 th percentile	82.5
90 th percentile	143.9
Median hourly wage by sex	
Male	57.5
Female	47.1
Median hourly wage by age group	
15-24	37.0
25-34	53.7
35-44	61.9
45-54	52.0
≥55	46.6
Median hourly wage by educational attainment	
Primary and below	33.3
Secondary 1 to 3	38.1
Secondary 4 to 5	47.9
Secondary 6 and above	82.4
Median hourly wage by occupational group	
Elementary occupations	31.3
Service workers and shop sales workers	35.3
Craft and related workers, plant and machine operators and assemblers	54.4
Clerks	45.8
Managers and administrators, professionals and associate professionals	88.4

	<u>(HK\$)</u>
Median hourly wage by industry section	
Manufacturing (excluding food processing and production)	51.3
Electricity and gas supply; sewerage, waste management and remediation activities	83.8
Construction	61.5
Import and export trade	61.3
Wholesale	44.4
Retail trade	36.3
Land transport	61.7
Other transportation, storage, postal and courier services (excluding local courier services)	50.0
Restaurants	33.3
Accommodation ⁽¹⁾ and other food service activities	43.0
Information and communications	67.7
Financing and insurance	86.4
Real estate activities (excluding real estate maintenance management)	69.3
Estate management, security and cleaning services	29.0
Professional, scientific and technical activities	71.2
Administrative and support services activities	49.9
Travel agency, reservation service and related activities	48.3
Education and public administration (excluding the Government)	105.0
Human health activities; and beauty and body prettifying treatment	60.4
Miscellaneous activities ⁽²⁾	34.8
Other activities not classified above	50.0

Notes: (1) Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.

(2) Including (i) elderly homes; (ii) laundry and dry cleaning services; (iii) hairdressing and other personal services; (iv) local courier services; and (v) food processing and production.

Hourly Wage Statistics in May – June 2011
Compiled Based on a Method Close to the One Used in 2010

Percentile	May – June 2011 ⁽¹⁾ (HK\$)	April – June 2010 (HK\$)
5 th	30.5	25.0
10 th	33.4	28.1
25 th	43.9	39.5
50 th (median)	65.9	59.5
75 th	107.1	96.7
90 th	200.0	176.0

Note: (1) Compiled based on a method close to the one used in 2010.

Weekly Working Hours Statistics, May – June 2011

	May – June 2011		April – June 2010⁽¹⁾
	Including meal breaks that are regarded as hours worked	Excluding meal breaks	
25 th	40.6	40.6	40.6
50 th (median)	45.0	44.3	44.3
75 th	51.6	48.5	49.6

Note: (1) Rest time and meal breaks are excluded from working hours for 2010 if no work is done or to be done.