For information on 13 April 2021

Legislative Council Panel on Welfare Services Subcommittee on Issues Relating to the Silver Age Card

Latest Employment and Retirement Situation of Persons Aged 60 to 64

Purpose

This paper sets out information on the latest employment and retirement situation of persons aged 60 to 64^1 provided by the Census and Statistics Department and the Office of the Government Economist.

Changes and Latest Situation of Economic Activity Status of Persons Aged 60 to 64

2. Amid the population ageing in Hong Kong, the population² of the age group of 60 to 64 increased persistently in the past decade, by 57.0% from 371 900 in 2010 to 584 000 in 2020, and their share in the total population also increased from 5.6% to 8.3%. The labour force participation rate (LFPR)³ of these people increased visibly from 33.4% to 47.1% during the same period, largely reflecting that the longer average life expectancies and the improved overall health of the Hong Kong population, together with the increase in the overall educational attainment of persons aged 60 to 64^4 , resulted in more of these people choosing to

¹ Except for unemployment and underemployment rates, statistics of Hong Kong population and labour market quoted in this paper exclude foreign domestic helpers.

² Refers to the land-based non-institutional population.

³ Refers to the proportion of labour force in the total land-based non-institutional population of that age group. Labour force refers to the land-based non-institutional population aged 15 and over who satisfy the criteria for being classified as employed population or unemployed population.

⁴ In the population of the age group of 60 to 64, the share of those with lower secondary and above educational levels rose from 52.1% in 2010 to 68.4% in 2020 (Note: the rest were persons with primary and below educational levels), and their share in the labour force of the same age group also rose from 58.3% to 70.7%. Compared with those with lower educational levels in the same age group, their LFPR was higher, at 37.4% in 2010 and 48.7% in 2020 respectively, as compared to the corresponding LFPR of 29.1% in 2010 and 43.7% in 2020 for persons with primary and below educational levels. This reflected that as compared to those with lower educational levels in the same age group, more of these people chose to enter the labour market.

enter the labour market. As such, the labour force of persons aged 60 to 64 more than doubled (increased by 121.2%) from 124 400 in 2010 to 275 200 in 2020, far exceeding the corresponding 5.0% increase in the total labour force, and their share in the total labour force also rose from 3.7% to 7.7%. Similarly, the employment of these people also increased markedly, more than two-fold from 120 300 in 2010 to 258 300 in 2020, and their share in the total employment also rose from 3.7% to $7.7\%^5$. The major population and labour market statistics are set out in Table 1 of Annex 1.

3. In 2020, among the employed persons aged 60 to 64, most of them (80.3%) were engaged in full-time jobs, but the ratio was lower than that in 2010 (86.6%). In contrast, the share of persons engaged in voluntary part-time employment rose by 4.7 percentage points over the share in 2010 to 15.2%. Understandably, as employment in this age group rose sizably in the last decade, the proportion of those choosing to work shorter hours or engage in jobs with more flexible work arrangements might have increased. Analysed by level of educational attainment, the share of employed persons aged 60 to 64 with secondary education rose notably from 46.0% in 2010 to 55.5% in 2020, and those with postsecondary education also rose from 12.7% to 15.6%. Analysed by occupation, in 2020, most (73.5%) of the employed persons aged 60 to 64 were engaged in lower-skilled occupations. While the share was higher than that in 2010 (71.5%), the share of those engaged in elementary occupations in the employment of persons aged 60 to 64 decreased from 35.6% to 31.8%, and the shares for those engaged in other lower-skilled occupations with relatively higher employment earnings on average, such as clerical support workers and service and sales workers, rose from 5.2% and 10.3% to 7.7% and 11.9% respectively. These were conceivably related to the improvement in the levels of educational attainment in this age group. Analysed by industry, there were relatively larger shares of persons aged 60 to 64 working in the financing, insurance, real estate, professional and business services sector (27.4%) and the public administration, social and personal services sector (16.4%) in 2020 Employment statistics by employment status, educational attainment, occupation and industry are set out in Table 2 of Annex 1.

4. Along with the increase in the population of persons aged 60 to 64, even though a larger proportion of them chose to enter the labour

⁵ Latest statistics (provisional figures) showed that, in December 2020 – February 2021, for persons aged 60 to 64, the LFPR was 47.3%, which was 1.5 percentage points higher than a year earlier. The labour force increased by 6.6% year-on-year to 281 700, and the employment rose by 3.0% year-on-year to 262 000.

market, the number of those who were economically inactive⁶ also rose by 24.8% from 247 500 in 2010 to 308 800 in 2020. In particular, the share of those being economically inactive because of retirement or old age in all economically inactive persons dropped from 68.1% to 60.2%. On the other hand, the share of home-makers and that of persons being permanently sick / or disabled persons in all economically inactive persons rose from 27.0% and 3.3% in 2010 to 28.6% and 6.8% in 2020 respectively⁷. Population statistics by reasons of being economically inactive are set out in <u>Table 3 of Annex 1</u>.

The Latest Unemployment Situation of Persons Aged 60 to 64

5. As the overall labour market stayed tight for most of the time during the period from 2010 to 2019, the unemployment rate of persons aged 60 to 64 largely stayed low during the period, averaging 2.7%. However, as the Hong Kong economy fell into recession in the second half of 2019, and the economy experienced the most severe contraction on record in 2020 due to the COVID-19 pandemic, the labour market deteriorated sharply and the unemployment situation of persons aged 60 to 64 also worsened. Latest statistics (provisional figures) showed that, the unemployment rate of persons aged 60 to 64 was 6.9% in December 2020 - February 2021, which was 4.5 percentage points higher than that in the second quarter of 2019 (the quarter before the economic recession). There were 19 700 unemployed persons, 13 100 persons more than the second quarter of 2019 (see Table 1 of Annex 1 for unemployment statistics). Looking ahead, with the launch of the COVID-19 Vaccination Programme, the threat of the epidemic may gradually recede. This will help ease the pressure on the labour market later this year and may improve the employment situation of persons aged 60 to 64. The Government will continue to monitor the situation closely.

⁶ Economically inactive population is made up of those persons who have not had a job and have not been at work during the 7 days before enumeration, excluding persons who have been on leave/holiday during the 7-day period and persons who are unemployed. Persons such as homemakers and retired persons are thus included.

⁷ In December 2020 – February 2021, among the persons aged 60 to 64, there were 313 300 economically inactive persons, of which 59.9% (187 600) were retired persons, 28.3% (88 700) were home-makers, and 7.1% (22 300) were persons being permanently sick / disabled persons.

Labour and Welfare Measures Applicable to Persons Aged 60 to 64

6. The labour and welfare measures applicable to persons aged 60 to 64 are set out in the paper discussed at the Subcommittee meeting held on 26 February 2021 (at <u>Annex 2</u>).

Conclusion

7. Members are invited to note this paper.

Census and Statistics Department Office of the Government Economist Labour and Welfare Bureau April 2021

Table 1: Population ⁽¹⁾ , labour force ⁽²⁾ , labour force participation rate ⁽³⁾ , employed persons ⁽⁴⁾ ,
unemployed persons ⁽⁵⁾ , unemployment rate ⁽⁶⁾ and underemployment rate ⁽⁷⁾ of
persons aged 60 to 64

	2010	2020	Q2 2019	Dec 2020 to Feb 2021^
Population ⁽¹⁾ (As proportion of total population)	371 900 (5.6%)	584 000 (8.3%)	564 800 (8.0%)	595 000 (8.4%)
Labour force ⁽²⁾ (As proportion of total labour force)	124 400 (3.7%)	275 200 (7.7%)	272 100 (7.5%)	281 700 (7.9%)
Labour force participation rate ⁽³⁾	33.4%	47.1%	48.2%	47.3%
Employed persons ⁽⁴⁾ (As proportion of total number of employed persons)	120 300 (3.7%)	258 300 (7.7%)	265 500 (7.5%)	262 000 (8.0%)
Unemployed persons ⁽⁵⁾	4 100	16 800	6 700	19 700
Unemployment rate ⁽⁶⁾	3.3%	6.0%	2.4%	6.9%
Underemployment rate ⁽⁷⁾	2.7%	4.1%	1.1%	5.4%

Notes: Annual figures are compiled based on data collected in the General Household Survey from January to December of the year concerned as well as mid-year population estimates.

Figures of persons are rounded to the nearest hundred. Figures may not add up to the totals due to rounding.

Except for unemployment and underemployment rates, figures in the above table exclude foreign domestic helpers.

- Provisional figures.
- (1) The land-based non-institutional population excludes inmates of institutions and persons living on board vessels.
- (2) The labour force refers to the land-based non-institutional population aged 15 and over who satisfy the criteria for being classified as employed population or unemployed population.
- (3) Labour force participation rate refers to the proportion of labour force in the total land-based noninstitutional population of that age group.
- (4) Employed persons refer to those persons aged 15 and over who have been at work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and persons who were on leave/holiday during the 7 days before enumeration are included.
- (5) Unemployed persons refer to those persons aged 15 and over who fulfil the following conditions :
 - (a) have not had a job and should not have performed any work for pay or profit during the 7 days before enumeration; and
 - (b) have been available for work during the 7 days before enumeration; and
 - (c) have sought work during the 30 days before enumeration.

However, if a person aged 15 or over fulfils the conditions (a) and (b) above but has not sought work during the 30 days before enumeration because he/she believes that work is not available, he/she is still classified as unemployed, being regarded as a so-called "discouraged worker".

Notwithstanding the above, the following types of persons are also classified as unemployed :

- (a) persons without a job, have sought work but have not been available for work because of temporary sickness; and
- (b) persons without a job, have been available for work but have not sought work because they :
 - (i) have made arrangements to take up a new job or to start business on a subsequent date; or
 - (ii) were expecting to return to their original jobs.
- (6) Unemployment rate refers to the proportion of unemployed persons in the labour force. Figures in the above table include foreign domestic helpers.
- (7) The underemployment rate refers to the proportion of underemployed persons in the labour force. Figures in the above table include foreign domestic helpers.

Table 2: Employed persons⁽⁴⁾ aged 60 to 64 by employment status, educational attainment⁽¹⁾, occupation⁽²⁾ of main employment and industry⁽³⁾ of main employment

	No.			Proportion				
			Q2	Dec 2020		F	Q2	Dec 2020
	2010	2020	2019	to Feb 2021^	2010	2020	2019	to Feb 2021^
Employed persons ⁽⁴⁾	120 300	258 300	265 500	262 000	100.0%	100.0%	100.0%	100.0%
By employment status								
Full-time ⁽⁵⁾	104 200	207 500	222 600	206 600	86.6%	80.3%	83.9%	78.8%
Voluntary part-time ⁽⁶⁾	12 700	39 300	39 900	40 100	10.5%	15.2%	15.0%	15.3%
Underemployed ⁽⁷⁾	3 400	11 500	3 000	15 300	2.8%	4.4%	1.1%	5.8%
By educational attainment ⁽¹⁾								<u>.</u>
Primary and below	49 700	74 700	77 900	74 600	41.3%	28.9%	29.3%	28.5%
Secondary	55 300	143 300	144 900	143 500	46.0%	55.5%	54.6%	54.8%
Post-secondary	15 300	40 400	42 700	43 800	12.7%	15.6%	16.1%	16.7%
By occupation ⁽²⁾ of main								
employment								
Higher-skilled workers	34 300	68 500	72 500	63 100	28.5%	26.5%	27.3%	24.1%
Of which:								
Managers and administrators	16 700	25 000	29 000	22 100	13.9%	9.7%	10.9%	8.4%
Professionals	2 900	8 700	11 900	10 300	2.4%	3.4%	4.5%	3.9%
Associate professionals	14 700	34 700	31 500	30 700	12.2%	13.4%	11.9%	11.7%
Lower-skilled workers	86 000	189 900	193 000	198 900	71.5%	73.5%	72.7%	75.9%
Of which:								
Clerical support workers	6 300	19 800	17 800	23 100	5.2%	7.7%	6.7%	8.8%
Service and sales workers	12 300	30 800	37 300	32 500	10.3%	11.9%	14.1%	12.4%
Craft and related workers	10 700	27 400	26 200	30 700	8.9%	10.6%	9.9%	11.7%
Plant and machine								
operators and assemblers	13 700	29 200	27 800	29 300	11.4%	11.3%	10.5%	11.2%
<i>Elementary occupations</i>	42 800	82 200	83 300	82 800	35.6%	31.8%	31.4%	31.6%
Other occupations	*	400	600	500	*	0.2%	0.2%	0.2%
By industry ⁽³⁾ of main								
employment								
Manufacturing	7 300	11 800	12 400	9 000	6.0%	4.6%	4.7%	3.4%
Construction	11 200	32 600	38 400	34 200	9.3%	12.6%	14.5%	13.1%
Import/export trade and wholesale	19 700	23 600	25 000	21 800	16.3%	9.1%	9.4%	8.3%
Retail, accommodation ⁽⁸⁾ and food services ⁽⁹⁾	19 400	38 000	44 700	35 900	16.1%	14.7%	16.8%	13.7%
Transportation, storage, postal and courier services, information and communications	14 900	37 200	35 700	40 000	12.4%	14.4%	13.5%	15.3%
Financing, insurance, real estate, professional and business services	34 100	70 800	66 800	71 100	28.3%	27.4%	25.2%	27.2%
Public administration, social and personal services	13 300	42 300	40 200	47 900	11.1%	16.4%	15.2%	18.3%
Other industries	600	2 100	2 300	2 000	0.5%	0.8%	0.9%	0.8%

Notes: Annual figures are compiled based on data collected in the General Household Survey from January to December of the year concerned as well as mid-year population estimates.

Figures of persons are rounded to the nearest hundred. Figures may not add up to the totals due to rounding.

Figures of less than 3 000 persons are compiled based on a small number of observations. Hence, they are subject to relatively larger sampling errors and should be interpreted with caution.

Figures in the above table exclude foreign domestic helpers.

- Provisional figures.
- * Statistics are not released due to large sampling error.
- (1) Educational attainment refers to the highest level of education ever attained by a person in a school or other educational institution, regardless of whether he/she had completed the course. Only formal courses are counted as educational attainment.
- (2) Occupation refers to the kind of work, nature of duties and main task performed by the respondent in his/her main job during the 7 days before enumeration.
- (3) Industry refers to the activity of the establishment in which the respondent mainly worked during the 7 days before enumeration.
- (4) Employed persons refer to those persons aged 15 and over who have been at work for pay or profit during the 7 days before enumeration or who have had formal job attachment. Unpaid family workers and persons who were on leave/holiday during the 7 days before enumeration are included.
- (5) Full-time employed persons refer to persons working at least 35 hours or those working less than 35 hours due to vacation during the 7 days before enumeration.
- (6) Voluntary part-time employed persons refer to persons working less than 35 hours voluntarily during the 7 days before enumeration for reasons other than vacation and being underemployed.
- (7) The underemployed population comprises those employed persons who have involuntarily worked less than 35 hours during the 7 days before enumeration and have sought additional work during the 30 days before enumeration, or have not sought additional work but have been available for additional work during the 7 days before enumeration.
- (8) Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.
- (9) The retail, accommodation and food services industries as a whole is generally referred to as the consumption- and tourism-related segment.

Source: General Household Survey, Census and Statistics Department.

Table 3: Economically inactive persons⁽²⁾ aged 60 to 64 by reason for being economically inactive and educational attainment⁽¹⁾

	2010	2020	Q2 2019	Dec 2020 to Feb 2021^			
Economically inactive persons ⁽²⁾	247 500	308 800	292 700	313 300			
By reason for being economically inactive							
Retirement/old age	168 600	185 800	179 000	187 600			
(Proportion)	(68.1%)	(60.2%)	(61.2%)	(59.9%)			
Of which, by educational							
attainment ⁽¹⁾ :							
Primary and below	79 600	53 700	59 900	50 400			
<proportion></proportion>	<47.2%>	<28.9%>	< 33 .5%>	<26.9%>			
Secondary	70 000	95 700	87 300	97 500			
<proportion></proportion>	<41.5%>	<51.5%>	<48.8%>	<52.0%>			
Post-secondary	19 000	36 300	31 800	39 700			
<proportion></proportion>	<11.3%>	<19.5%>	<17.8%>	<21.2%>			
Engagement in household	66 800	88 200	84 700	88 700			
duties (Proportion)	(27.0%)	(28.6%)	(28.9%)	(28.3%)			
Permanent sick/Disablement	8 100	21 000	19 800	22 300			
(Proportion)	(3.3%)	(6.8%)	(6.8%)	(7.1%)			
Other reasons	4 000	13 800	9 200	14 800			
(Proportion)	(1.6%)	(4.5%)	(3.1%)	(4.7%)			

Notes: Annual figures are compiled based on data collected in the General Household Survey from January to December of the year concerned as well as mid-year population estimates. Figures of persons are rounded to the nearest hundred. Figures may not add up to the totals due to

rounding.

Figures in the above table exclude foreign domestic helpers.

^ Provisional figures.

(1) Educational attainment refers to the highest level of education ever attained by a person in a school or other educational institution, regardless of whether he/she had completed the course. Only formal courses are counted as educational attainment.

(2) Economically inactive population is made up of those persons who have not had a job and have not been at work during the 7 days before enumeration, excluding persons who have been on leave/holiday during the 7-day period and persons who are unemployed. Persons such as home-makers and retired persons are thus included.

Source: General Household Survey, Census and Statistics Department.

For information on 26 February 2021

Legislative Council Panel on Welfare Services Subcommittee on Issues Relating to the Silver Age Card

Labour and Welfare Measures Applicable to Persons Aged 60 to 64

Purpose

This paper sets out the labour and welfare measures applicable to persons aged 60 to 64, the enhancements to the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme), and background information on the Senior Citizen Card Scheme.

The Trend of Average Life Expectancy of Hong Kong and Changes in Labour Force Participation Rate of Mature Persons

2. According to the Census and Statistics Department, the life expectancy at birth for Hong Kong males in 2019 was 82 years whereas that of females was 88 years. In 2069, the life expectancy of males and females is projected to increase to 88 years and 94 years respectively. By that time, the number of persons aged 65 and over will reach 2.58 million, representing a nearly 90 per cent increase as compared to 1.38 million (provisional figure) in 2020. Furthermore, the number of persons aged 60 and over will increase from 1.97 million (provisional figure) in 2020 to 3.05 million in 2069.

3. With longer average life expectancies and an improvement in the overall health quality in Hong Kong, more and more mature persons are engaged in the labour market. In particular, the labour force participation rate of this age group of 60 to 64 (excluding foreign domestic helpers) has increased significantly over the past decade from 34 per cent in 2009 to 47 per cent in 2019. The number of employed persons (excluding foreign domestic helpers) has substantially increased more than double from about 110 000 in 2009 to 259 000 in 2019, far exceeding the 9 per cent increase in the overall working population during the same period. These figures show that on the one hand, more and more people in this age group are still

active in the labour market and on the other, more and more employers are willing to employ them.

4. The situation in Hong Kong is commensurate with the global trend. The Organization for Economic Cooperation and Development regularly publishes the 'Average Effective Age at which Older Workers Withdraw from the Labour Force'. According to the statistics in 2018, taking male for example, the relevant age of the United Kingdom was 64.7 whereas that of the United States was 67.9. Such age is even higher in Asian places located close to Hong Kong. For instance, the relevant age of Japan was 70.8 while that of South Korea reached 72.3. With longer average life expectancies, the trend of later retirement is expected to continue in the future.

Labour and Welfare Measures Applicable to Persons aged 60 to 64

Training and Continuing Education for Mature Persons

5. On training for mature persons, the Employees Retraining Board currently offers around 700 training courses covering 28 industry categories and generic skills training for eligible persons aged 15 or above (including those aged 60 to 64) which include dedicated training courses for persons aged 50 or above, with a view to upgrading their employment-related skills. It also launched the 'Post-50 Internship Programme' to assist those retired 'Post-50s' wishing to re-enter the employment market to participate in short-term internship.

Employment Support Services for Mature Persons

6. The Labour Department (LD) has adopted a series of measures to promote the employment of mature persons continuously, which include staging thematic large-scale job fairs for the elderly and middle-aged and district-based job fairs on part-time employment, setting up special counters at job centres to provide priority registration and job referral services for mature job seekers, organising tailor-made employment briefings for mature persons, setting up a dedicated webpage for mature job seekers on the Interactive Employment Service website and enhancing the functions of the vacancy search terminals to facilitate their access to employment information and search for suitable vacancies.

Encourage Employers to Hire Mature Persons

In addition to assisting mature persons in seeking jobs, LD 7. implements the Employment Programme for the Elderly and Middle-aged (EPEM) to encourage employers to hire job seekers aged 60 or above. In view of the deteriorating employment situation, LD raised the ceiling of the on-the-job training (OJT) allowance payable to employers under EPEM in September 2020. The maximum amount of OJT allowance payable to employers engaging job seekers aged 60 or above who are unemployed or have left the workforce is \$60,000 per employee. EPEM covers both full-At the same time, LD launched a pilot scheme time and part-time jobs. to encourage persons aged 60 or above to undergo and complete OJT under EPEM through the provision of a retention allowance, thereby stabilising employment. Depending on the length of the OJT period, the maximum amount of retention allowance that a full-time employee may receive is To encourage more employers to provide suitable vacancies for \$12,000. mature job seekers, LD also strengthens its liaison with employers with recruitment needs to enhance job matching, organises experience sharing sessions on employment of mature persons with employers, etc.

Care Services

8. The Government has been providing appropriate care services for elderly persons with needs or frailty. Currently, the elderly services provided by Social Welfare Department (SWD) accord priority to home care and community care, which are supplemented by residential care. Persons aged 60 or above living in the community when in need may receive community support services from District Elderly Community Centres or Neighbourhood Elderly Centres. In addition, mature persons aged 60 to 64 may also receive community care services and residential care services if there is a proven need.

Cash Assistance

9. The Government's overall expenditure on cash assistance schemes has been on the rise. For instance, the Government's recurrent expenditure on social security (including the Comprehensive Social Security Assistance Scheme and Social Security Allowance Scheme) in 2020-21 reaches about \$58 billion, representing an increase of about 50 per cent compared with the expenditure of \$38.7 billion five years ago in 2015-16. Mature persons in need may apply for social security as appropriate according to their situations and preferences. Meanwhile, the Government has significantly enhanced the Working Family Allowance

(WFA) Scheme in recent years, which include increasing the rates of allowance and relaxing the eligibility criteria of the Scheme, e.g. extending the Scheme to cover singletons. As at end-January 2021, there were about 58 000 active beneficiary households under the WFA Scheme, doubling the number in 2018. The expenditure of the WFA Scheme has significantly increased by nearly two times from \$650 million in 2017-18 to about \$1.8 billion in 2020-21. Eligible mature persons aged 60 to 64 may continue to receive appropriate support under the enhanced WFA Scheme.

The Enhancements to the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

The Government launched the \$2 Scheme in 2012 for elderly 10. persons aged 65 or above and eligible persons with disabilities to travel on designated public transport modes at a concessionary fare of \$2 per trip with a view to achieving the policy objective of building a caring and inclusive society in Hong Kong. The Chief Executive announced in January 2020 that the eligible age of the \$2 Scheme would be lowered from 65 to 60 to benefit some 600 000 persons aged 60 to 64. The Government announced in January 2021 the implementation measures of lowering the eligible age of the \$2 Scheme to 60, including the prerequisite for the new beneficiaries to apply for and use tailor-made Personalised Octopus Cards with photo and age eligibility for benefitting from the concessionary fare. The Government estimates that this enhancement measure to be implemented progressively from the first quarter of 2022.

The Senior Citizen Card Scheme

11. In addition, as background information, SWD launched the 'Senior Citizen Card Scheme' in 1994 to issue Senior Citizen Cards to eligible Hong Kong residents aged 65 or above as a generally recognised proof of age, allowing cardholders to enjoy conveniently the concessions, discounts and priority services offered by government departments, public organisations and private companies. Organisations which are interested in offering concession or discounts to the elderly may apply to participate in the Scheme with SWD. Nevertheless, the Senior Citizen Card does not carry any benefits in itself. Relevant concessions or discounts are offered to cardholders by the participating organisations on a voluntary basis. Currently there are about 1.35 million holders of the Senior Citizen Card, covering about 90 per cent of overall eligible elderly persons.

Conclusion

12. Members are invited to note this paper.

Labour and Welfare Bureau Social Welfare Department Labour Department Census and Statistics Department February 2021