

# Survey reveals 40% of Hong Kong young people consider themselves poor

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To understand Hong Kong youth's opinions on employment, poverty, a decent life, and related policies, as well as their income and expenditure, a recent survey, entitled "How low is the minimum wage? Report on

Employment Dilemmas of the Poor New Generation," jointly conducted by Lingnan University (LU) Institute of Policy Studies (IPS) and the Center for Cultural Research and Development, shows that about 40% of the interviewees described themselves as living in poverty, and most young people working full-time indicated that the statutory minimum wage (MW) is too low and they do not benefit from it.

The findings of this project were released today at a seminar, March 7, and in his welcome speech, Prof. Joshua Mok Ka-ho, Vice-President of LU, expressed his heartfelt gratitude to the commissioning organization Oxfam for its support in conducting this important research. "LU places great weight on the value of interdisciplinary and socially effective research that generates [social impact](#) and demonstrates care for the community. We look forward to working with different social groups to contribute fresh ideas which address the needs of young adults through developing powerful research projects, so as to provide support and create opportunities for youth employment," Prof. Mok said.

The LU research team conducted two rounds of in-depth interviews from May to December 2022 with 67 young people aged 18 to 29, whose monthly income was below HK\$20,000. A total of 164 and 253 valid responses were also collected in two rounds of the survey.

The results revealed that the vast majority of young people considered that their salaries were too low and not commensurate with their efforts. The median income of the interviewees was HK\$15,200, while that in the survey was between HK\$6,000–\$9,999. Most young people showed dissatisfaction with long working hours and long-term [low wages](#) in some industries compared to their peers in other sectors. The pressure also came from the high cost of living and unattainable life goals, including home ownership.

Approximately 40% of interviewees from the second round interview

considered themselves poor, and had diverse views on poverty. Some young people said inadequate food equaled poverty; some regarded it as poverty if they did not meet Hong Kong's median monthly income; some pointed out that many other unachievable goals caused them "spiritual poverty." The remaining youth did not consider themselves as living in poverty because of the support they received from their families.

Most young people working [full-time](#) said that the level of the statutory [minimum wage](#) (MW) is too low, and they do not benefit from it. Across self-perceived class backgrounds, young people believed that the HK\$40 MW is too low and does not reflect the labor market. A significant number of young people felt that a reasonable MW should be "enough for a meal," and believed that a reasonable adjustment would help the grassroots and part-time workers.

From the [survey results](#), the hourly wage should rise to HK\$71.60 to maintain current living expenses, a huge gap between expenses and the statutory MW. Our survey results show that the average monthly living expenses of young people are HK\$16,789. After deducting the cost of education, their average monthly expenditure is HK\$14,894. Thus, to maintain their current expenditure, the hourly wage should be HK\$71.60, assuming they work eight hours a day, 26 days a month. Salaries vary widely compared with the current minimum wage.

Based on the results of the survey, Prof. Pun Ngai, Head and Chair Professor of the Department of Cultural Studies at LU, said that it is not difficult to understand why young people working full-time do not respect the minimum wage policy. Even if the minimum wage is raised to HK\$40 an hour from May 2023, it will still be undeniably low, and insufficient to guarantee their current quality of life.

"What an irony that earning the minimum wage is not enough to live on. Since the government has formulated a blueprint for youth development,

and is trying to assist youngsters in overcoming hurdles in employment, education, entrepreneurship, and home ownership and find a solution, the authorities should listen to the voices and suggestions of young people to review the minimum wage law, which currently only guarantees wages," Prof. Pun added.

Prof. Pun went on to note that there are more and more voices in society calling for an adjustment of the minimum wage. Adjustment indexation would make the process more open and transparent, so the public could predict the size of the adjustment. The research team, Prof. Pun said, suggests that the formula for adjusting the minimum wage should include macroeconomic indicators such as inflation and GDP growth. Prof. Pun believes, "It is better to have a formula than no formula. Currently, labor and management have to argue about the adjustment every two years, and society is torn apart each time, which is not conducive to social peace."

Prof Leung Shi-chi, Assistant Professor (Research) at the Department of Cultural Studies at LU, who conducted the survey, said that the young people interviewed by the team often linked the lowest minimum hourly wage to the cost of a meal, and felt that it should be sufficient to pay for at least one HK\$50–\$60 meal. Prof. Leung continued, "Government data show that the number of working poor has soared by more than 100,000 people in the ten years since the implementation of the minimum wage, showing that the minimum wage is too low and out of touch with real life, and cannot really reduce the number of working poor."

Prof. Leung also said that the current minimum wage policy in Hong Kong is conservatively positioned, and only prevents "low wages. Looking at Mainland China, its minimum wage is positioned more aggressively than in Hong Kong. The minimum wage level in Mainland China is higher than the social relief fund and [unemployment insurance](#). The former is equivalent to Hong Kong's 'Comprehensive Social

Security Assistance (CSSA) Scheme,' while the latter is unemployment welfare that Hong Kong currently does not have. In September 2022, the European Parliament required member states to guarantee the minimum wage level so that citizens could lead decent lives. In comparison, the minimum wage in Hong Kong is outdated and backward." He suggested that the authorities make the minimum wage the core of their poverty alleviation policy.

The research team suggested that the government should adopt a multi-pronged approach to address this pressing issue. First, the administration should comprehensively review the policy positioning and operation of the statutory minimum wage, which should be repositioned with other poverty alleviation policies aiming at various target groups. Second, transparency in the review process of the minimum [wage](#) is important, and the review should be conducted annually. Third, restart the legislation process for standard working hours.

The research team recommended that standard working hours should be 40 hours per week, and overtime wages should be 1.5 times normal wages. There should also be a limit on total overtime work and total working hours per month, and based on this, a legal definition of "karoshi" should be formulated. The employer should remunerate in accordance with the Employees' Compensation Ordinance. Last but not least, the research team recommended the government take the initiative to establish an unemployment protection system, including exploring contributory unemployment insurance, reviewing the current CSSA (unemployment) and severance/long service payment, and also listen to the opinions of [young people](#) on relevant policies.

Provided by Lingnan University

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