Main Analysis of the Poverty Situation in 2019

Office of the Government Economist
Financial Secretary's Office │ Census and Statistics Department
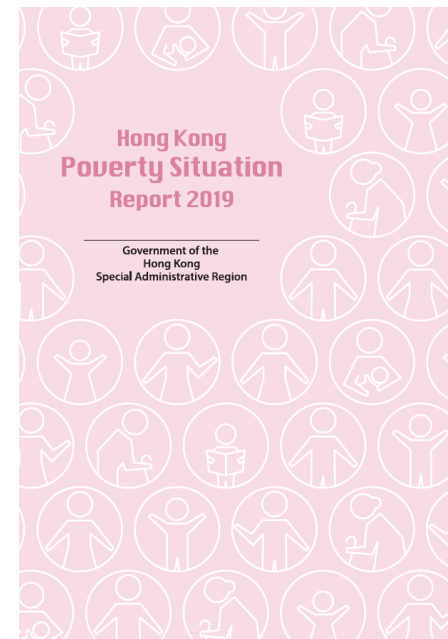
Poverty situation in 2019 - Outline

I. **Major factors affecting poverty statistics in 2019**

II. **Main poverty situation and its trend in 2019**

III. **Situation of the working poor in 2019**

IV. **Key observations, outlook & advice sought**

Hong Kong Poverty Situation Report 2019

The full Report has been uploaded to CoP's website
https://www.povertyrelief.gov.hk/eng/archives.html

Hong Kong
Poverty Situation
Report 2019

Government of the
Hong Kong
Special Administrative Region
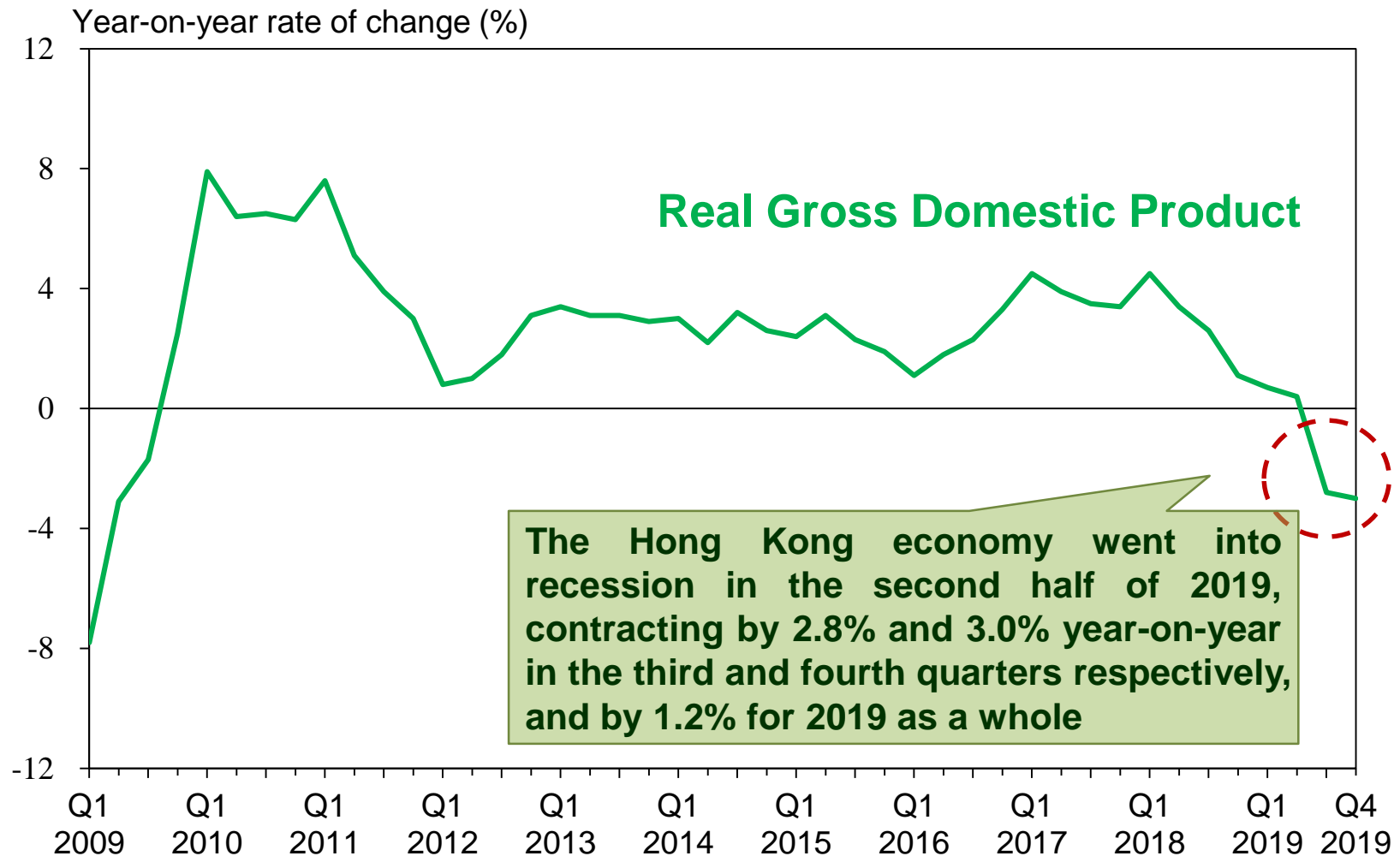
I. Major factors affecting poverty statistics in 2019

Three major factors affecting poverty statistics in 2019 - Overview

1. **Macroeconomic situation:** **the Hong Kong economy fell into recession in 2019.** The labour market slackened noticeably in the second half. Grassroots families were particularly hard-hit, with their wages and household income under considerable pressures

2. **Structural factors:** **an accelerated trend of population ageing** and **continued dwindling household size** continue to pose upward pressures on the poverty indicators

3. **Government's efforts in poverty alleviation:** the Government has been allocating more resources to alleviate poverty and support the disadvantaged in recent years, **which would continue to provide some cushion in lowering the poverty rate during economic downturn**. In response to the sharp worsening in economic conditions, the Government has also rolled out various one-off measures to relieve people's burden in a timely manner

   ➢ However, it should be noted that the main analytical framework of the poverty line has its limitations, and only considers the poverty alleviation impact of **recurrent cash measures**
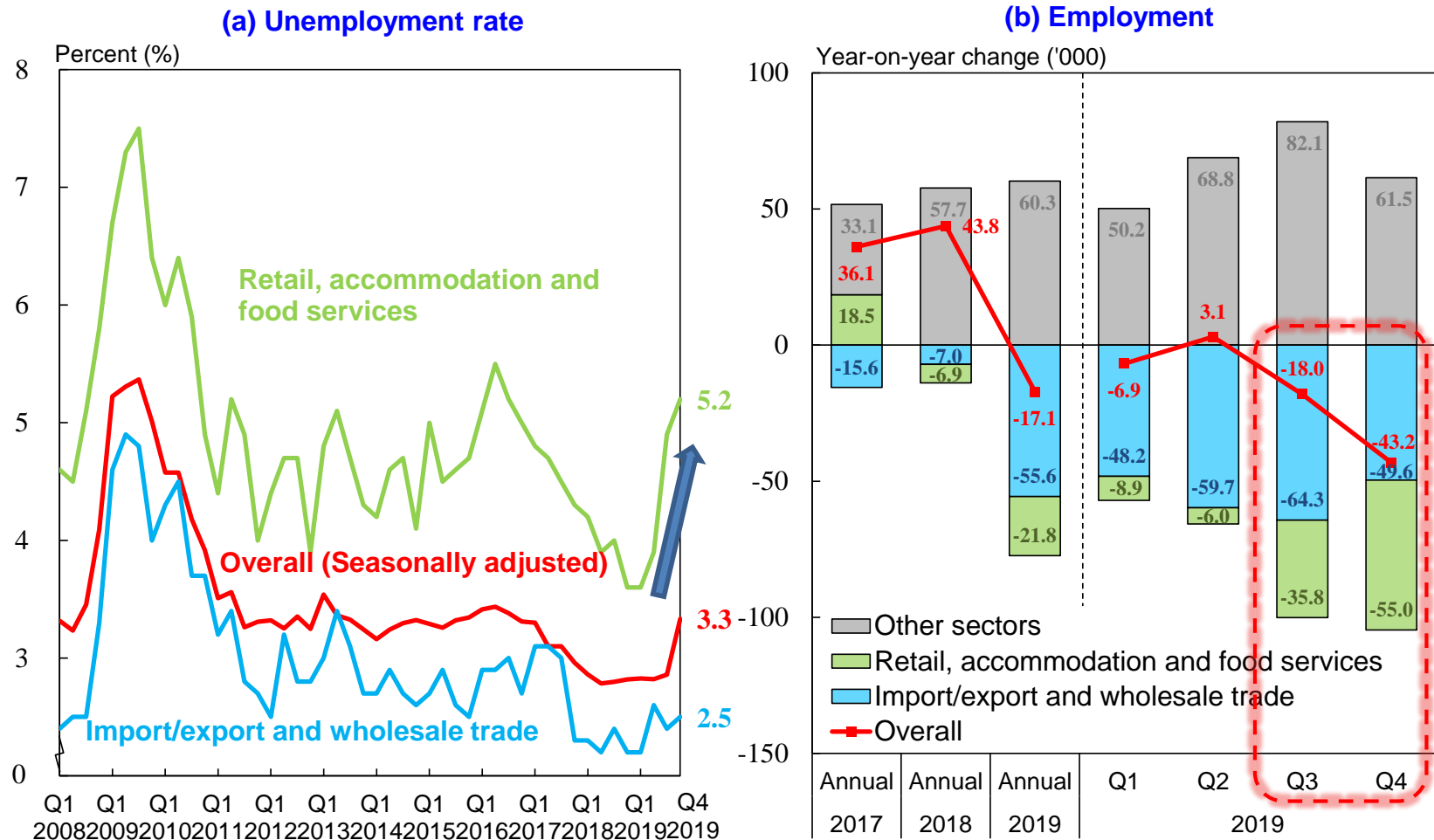
1. Macroeconomic situation: the Hong Kong economy, hit by a double whammy of the local social incidents and China-US trade tensions, fell into the first recession since the Global Financial Crisis in 2009

The Hong Kong economic growth, 2009-2019

Year-on-year rate of change (%)

Real Gross Domestic Product

The Hong Kong economy went into recession in the second half of 2019, contracting by 2.8% and 3.0% year-on-year in the third and fourth quarters respectively, and by 1.2% for 2019 as a whole

Source: Quarterly Report on Gross Domestic Product, Census and Statistics Department.

1. Macroeconomic situation (cont'd): against such backdrop, the labour market slackened visibly in the second half, as evidenced by a rebound in unemployment rate and fall in employment. The consumption- and tourism-related sectors that involved substantial lower-skilled jobs were particularly hard-hit

(a) Unemployment rate

(b) Employment

Source: General Household Survey, Census and Statistics Department.

1. Macroeconomic situation (cont'd): labour force participation rate also saw a notable decline, conceivably due to some people choosing to leave the labour market amid subdued economic conditions and job losses

Labour force participation rate by age, 2018-2019

| (%)	2018	2019	Annual change (percentage point(s))
15-29	58.5	58.6	+0.1
30-39	83.9	83.5	-0.4
40-49	81.3	80.2	-1.1
50-54	78.3	77.3	-1.0
55-59	67.6	67.6	-
60-64	47.0	47.0	-
65+	11.7	12.4	+0.7
Overall	59.2	58.5	-0.7

Notes: Figures excluding foreign domestic helpers (FDHs).
(-) Changes within ± 0.05 percentage point.
Source: General Household Survey, Census and Statistics Department.

1. Macroeconomic situation (cont'd): labour demand slackened and employment earnings growth decelerated appreciably. Also coupled with the decrease in the average number of working members per household, household income growth came under pressure, in particular for the grassroots

(a) Nominal wages and average employment earnings
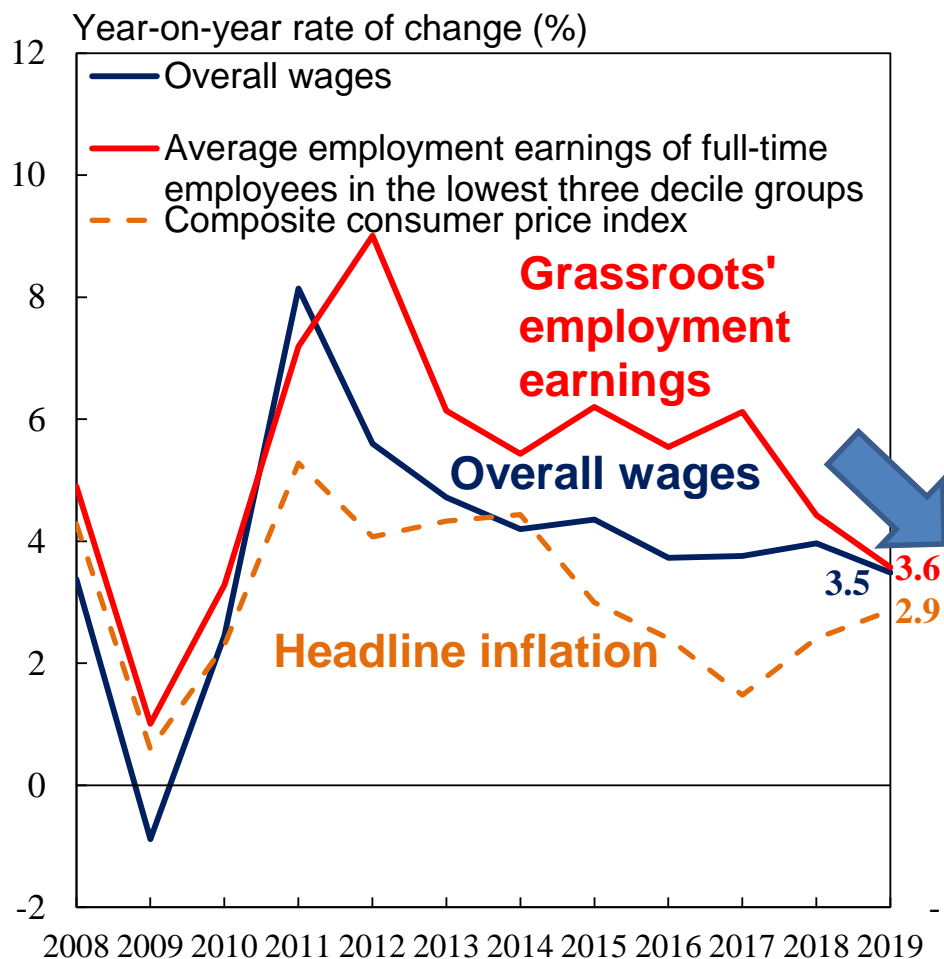
(b) Household income
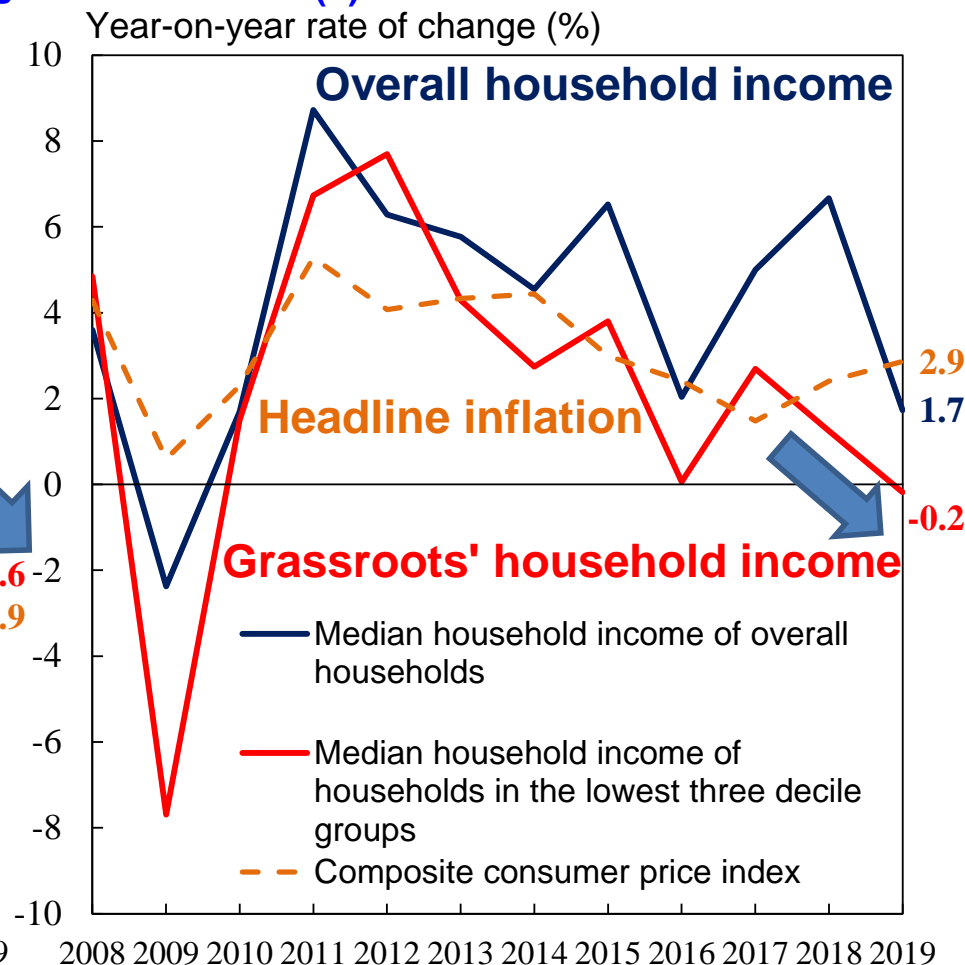
Note: Figures excluded FDHs.

Sources: General Household Survey, Monthly Report on the Consumer Price Index, and Labour Earnings Survey, Census and Statistics Department.

2. Structural factors: the trends of population ageing and dwindling household size have become increasingly prominent. The number of elders without employment income rose discernibly which exerted persistent and growing upward pressures on the income poverty figures

(a) Population figures by age group
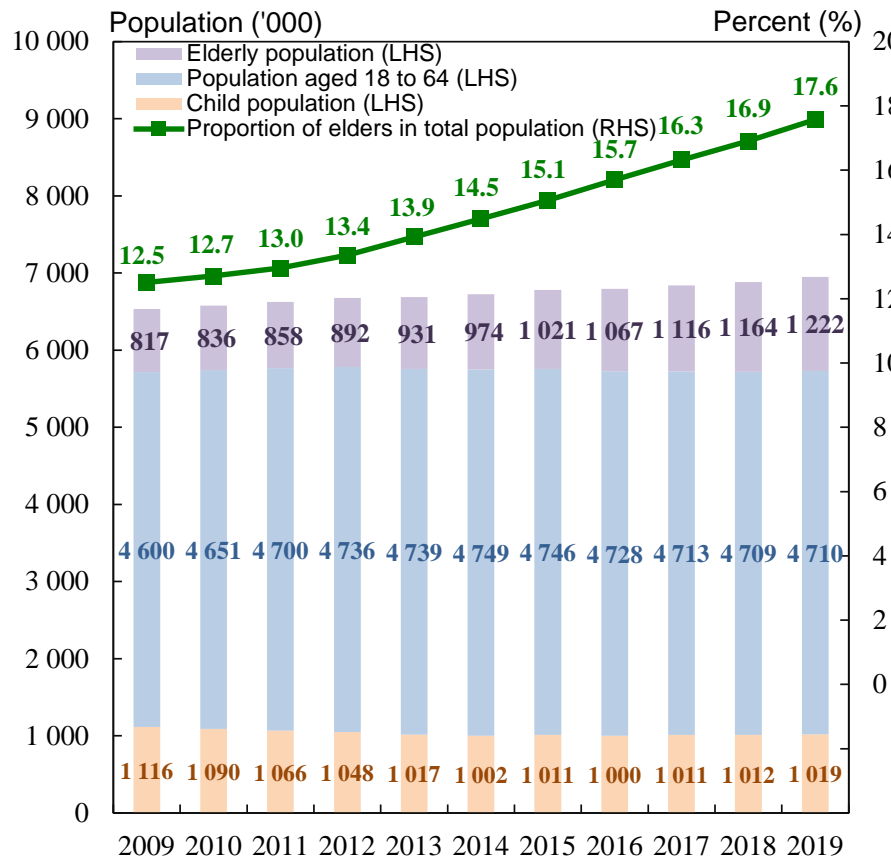
(b) Average household size of overall households
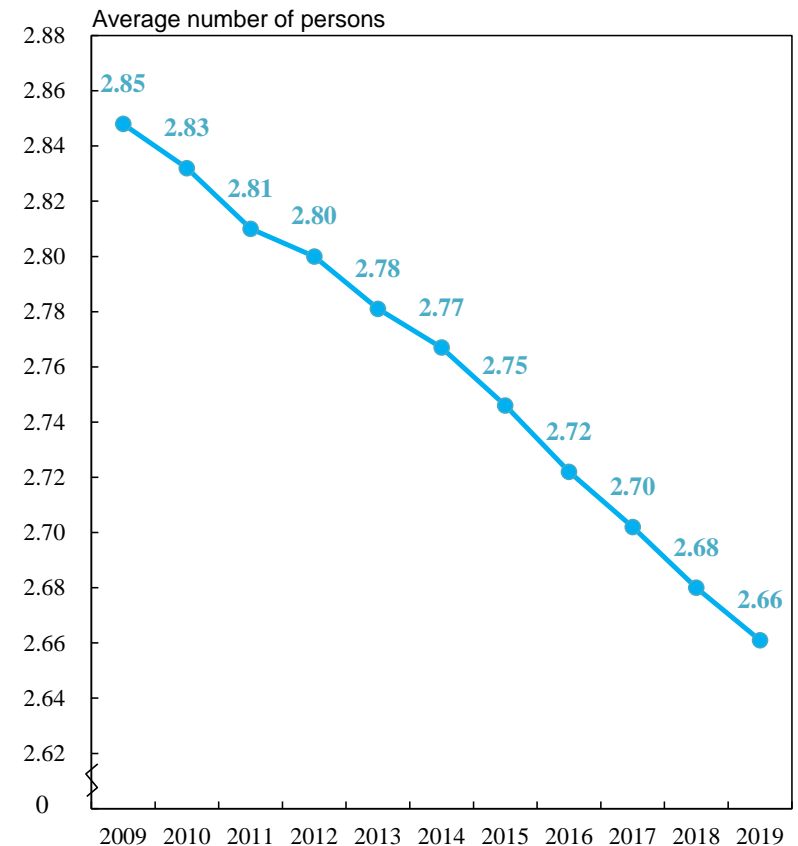
Note: Population figures refer to persons in domestic households, excluding FDHs and the institutional population.
Source: General Household Survey, Census and Statistics Department.

3. The Government has been allocating more resources to improve people's livelihood: estimated average monthly benefits per poor household amounted to $7,300 in 2019, the highest on record

- Of which: **$4,100 was recurrent cash** and the remaining **$3,200 were non-recurrent cash and in-kind benefits**. **However, the $3,200 was not included in the estimation of poverty alleviation effectiveness under the main analytical framework.** As for universal, non-means-tested in-kind benefits, they have never been covered in the poverty line analytical framework

Estimated average amount of benefits per poor household by policy category, 2009-2019
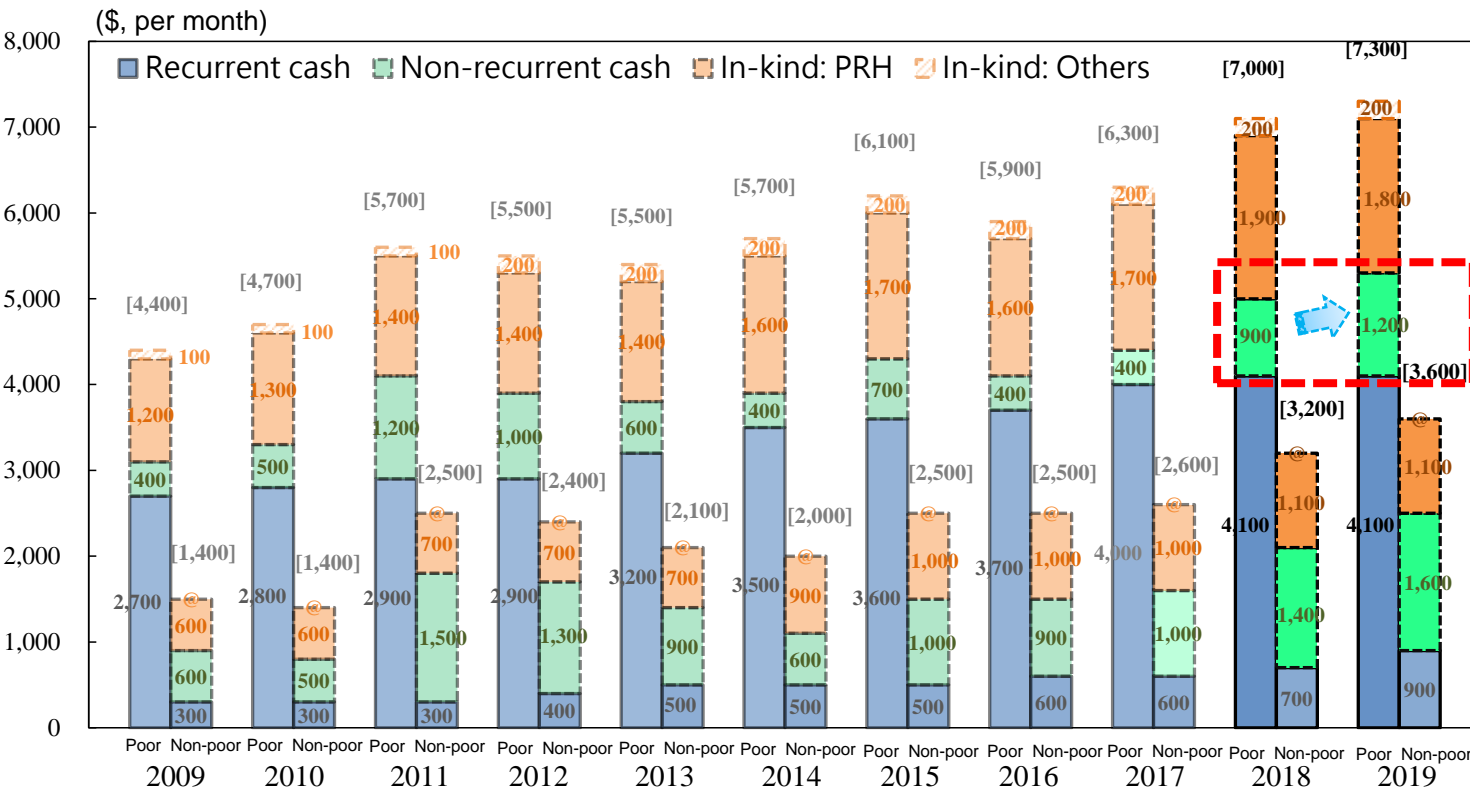
In fact, benefitted from the one-off distribution up to $4,000 under the Caring and Sharing Scheme, the average amount of non-recurrent cash benefits per poor household rose markedly in 2019

Notes: (@) The amount is lower than $50 and the relevant statistics are not released.
[ ] Figures in square brackets refer to the sum of estimated amount of all policy interventions in the chart.
Poverty statistics refer to statistics before policy intervention (purely theoretical assumption).

Source: General Household Survey, Census and Statistics Department.

For information regarding recurrent government expenditure on social welfare and measures not covered in the main analytical framework, please see pages 30 to 31

II. Main poverty situation and its trend in 2019

Many of the "Poverty Line" thresholds showed decelerating increases or remained broadly steady in 2019

- **Poverty lines of 3-person households to 5-person households registered the smallest increases in a decade:** ranging from 1.1% to 2.8%
- **Poverty line of 2-person households remained virtually unchanged:** ending its continuous upward trend for nine years

Poverty lines by household size, 2009-2019

($, per month)

6-person+ : 13,000 / 13,500 / 14,500 / 15,800 / 17,100 / 18,800 / 19,500 / 20,000 / 22,500 / 21,800 / 23,000

5-person : 11,900 / 12,300 / 13,500 / 14,800 / 16,000 / 17,000 / 18,200 / 19,000 / 20,300 / 21,500 / 22,100

4-person : 11,300 / 11,800 / 13,000 / 14,300 / 15,400 / 16,400 / 17,600 / 18,500 / 19,900 / 21,000 / 21,400

3-person : 9,900 / 10,000 / 10,500 / 11,500 / 12,500 / 13,000 / 14,000 / 15,000 / 15,000 / 16,500 / 16,600

2-person : 6,900 / 7,000 / 7,500 / 7,700 / 8,300 / 8,500 / 8,800 / 9,000 / 9,800 / 10,000 / 10,000

1-person : 3,300 / 3,300 / 3,400 / 3,600 / 3,500 / 3,500 / 3,800 / 4,000 / 4,000 / 4,000 / 4,500

Source: General Household Survey, Census and Statistics Department.

Taking all selected measures into account, the poverty rate edged down in 2019 over 2018. This showed that the Government's non-recurrent cash measures did help relieve the impact of economic recession on grassroots families. But according to the main analytical framework that only considers recurrent cash measures, the overall poverty situation worsened noticeably

- **After recurrent cash intervention:** the size of poor population was **1.098 million persons**, poverty rate at **15.8% (up by 0.9 percentage point over 2018)**
  - ➢ **Comparing with the pre-intervention (purely theoretical assumption) figures:** the size of poor population was **1.491 million persons**, poverty rate at **21.4% (up by 1.0 percentage point)**
  - ➢ **Recurrent cash benefits** lifted about 0.39 million persons out of poverty, and **brought down the poverty rate by 5.6 percentage points**

- If **non-recurrent cash and in-kind benefits (i.e. "all selected measures")** are also being covered to reflect the Government's all-round effects, the size of poor population and poverty rate were **further reduced by about 0.46 million persons and 6.6 percentage points**, to **0.642 million persons** and **9.2%** respectively

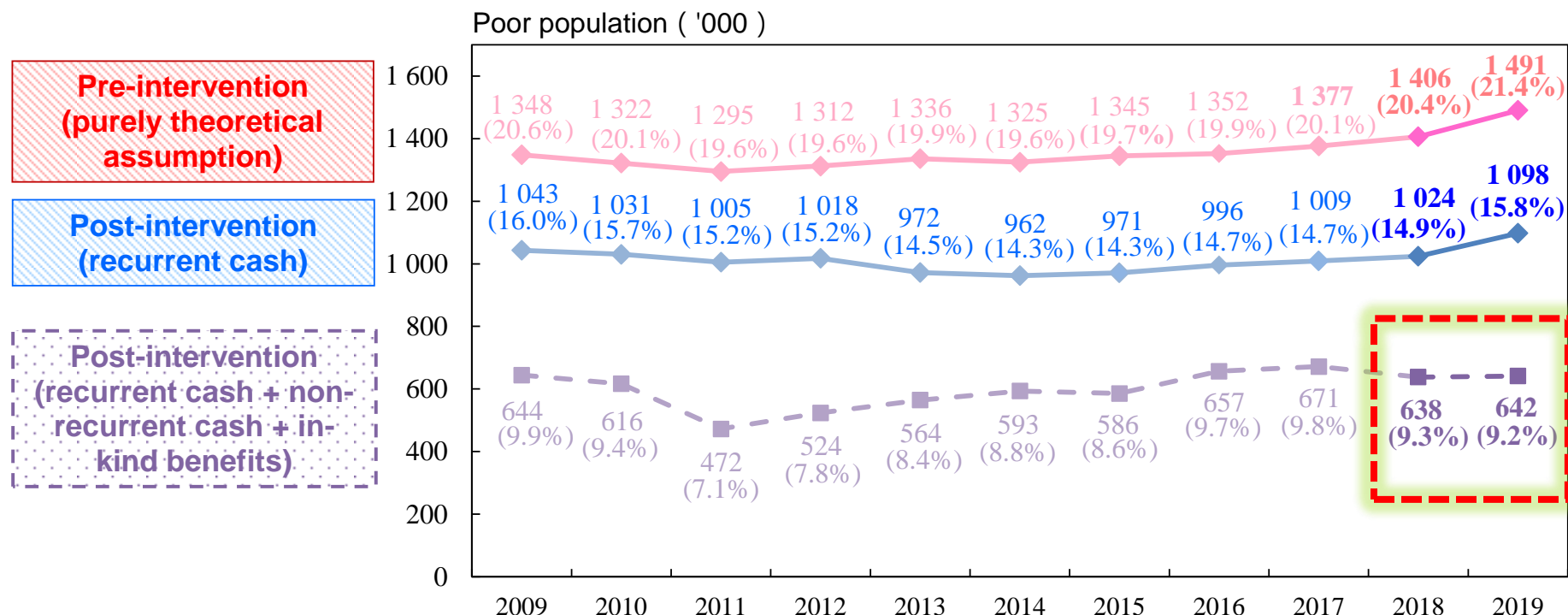| Household income under different coverage of government intervention policies	Poor households	Poor population	Poverty rate
All selected measures (recurrent + non-recurrent cash + in-kind benefits, for supplementary reference)	**0.287 mn** (0.276 mn)	**0.642 mn** (0.638 mn)	**9.2%** (9.3%) ↓
Post-intervention (recurrent cash, main analytical framework)	**0.474 mn** (0.435 mn)	**1.098 mn** (1.024 mn)	**15.8%** (14.9%) ↑
Pre-intervention (purely theoretical assumption)	**0.649 mn** (0.613 mn)	**1.491 mn** (1.406 mn)	**21.4%** (20.4%) ↑
Poverty alleviation effectiveness of recurrent cash	**0.175 mn** (0.178 mn)	**0.393 mn** (0.382 mn)	**5.6%pts** (5.5%pts) ↑

Notes: Figures in parentheses refer to figures in 2018.
Recurrent cash measures include CSSA/SSA, WFA, etc.; non-recurrent cash measures include tax reduction and rates concessions, Caring and Sharing Scheme, offering an additional two-month payment of social security allowance, etc.; means-tested in-kind benefits include PRH, Kindergarten and Child Care Centre Fee Remission Scheme, etc.

The movement of poverty rate taking into account all selected measures would be more affected by the Government's one-off measures

Poor population and poverty rate taking into account all selected measures, 2009-2019

Poor population ('000)

Pre-intervention (purely theoretical assumption)

Post-intervention (recurrent cash)

Post-intervention (recurrent cash + non-recurrent cash + in-kind benefits)

Pre-intervention (purely theoretical assumption) values:
- 2009: 1 348 (20.6%)
- 2010: 1 322 (20.1%)
- 2011: 1 295 (19.6%)
- 2012: 1 312 (19.6%)
- 2013: 1 336 (19.9%)
- 2014: 1 325 (19.6%)
- 2015: 1 345 (19.7%)
- 2016: 1 352 (19.9%)
- 2017: 1 377 (20.1%)
- 2018: 1 406 (20.4%)
- 2019: 1 491 (21.4%)

Post-intervention (recurrent cash) values:
- 2009: 1 043 (16.0%)
- 2010: 1 031 (15.7%)
- 2011: 1 005 (15.2%)
- 2012: 1 018 (15.2%)
- 2013: 972 (14.5%)
- 2014: 962 (14.3%)
- 2015: 971 (14.3%)
- 2016: 996 (14.7%)
- 2017: 1 009 (14.7%)
- 2018: 1 024 (14.9%)
- 2019: 1 098 (15.8%)

Post-intervention (recurrent cash + non-recurrent cash + in-kind benefits) values:
- 2009: 644 (9.9%)
- 2010: 616 (9.4%)
- 2011: 472 (7.1%)
- 2012: 524 (7.8%)
- 2013: 564 (8.4%)
- 2014: 593 (8.8%)
- 2015: 586 (8.6%)
- 2016: 657 (9.7%)
- 2017: 671 (9.8%)
- 2018: 638 (9.3%)
- 2019: 642 (9.2%)

Poor households ('000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-intervention (purely theoretical assumption)	541	536	530	541	555	555	570	582	594	613	649
Post-intervention (recurrent cash)	406	405	399	403	385	383	392	412	420	435	474
Post-intervention (recurrent cash+non-recurrent cash+in-kind benefits)	253	246	194	216	233	250	250	284	287	276	287

Note: ( ) Figures in parentheses refer to the corresponding poverty rates.
Source: General Households Survey, Census and Statistics Department.

For further supplementary poverty statistics taking into account non-recurrent cash and/ or in-kind benefits, please see pages 33 to 36

Under the main analytical framework, the poverty alleviation effectiveness of recurrent cash measures improved for the third consecutive year, and was a record high since the release of poverty statistics: in 2019, 0.39 million persons were lifted out of poverty. The poverty rate was lowered by 5.6 percentage points, 0.1 percentage point (or 1.0 percentage point) higher than that in 2018 (a decade ago)
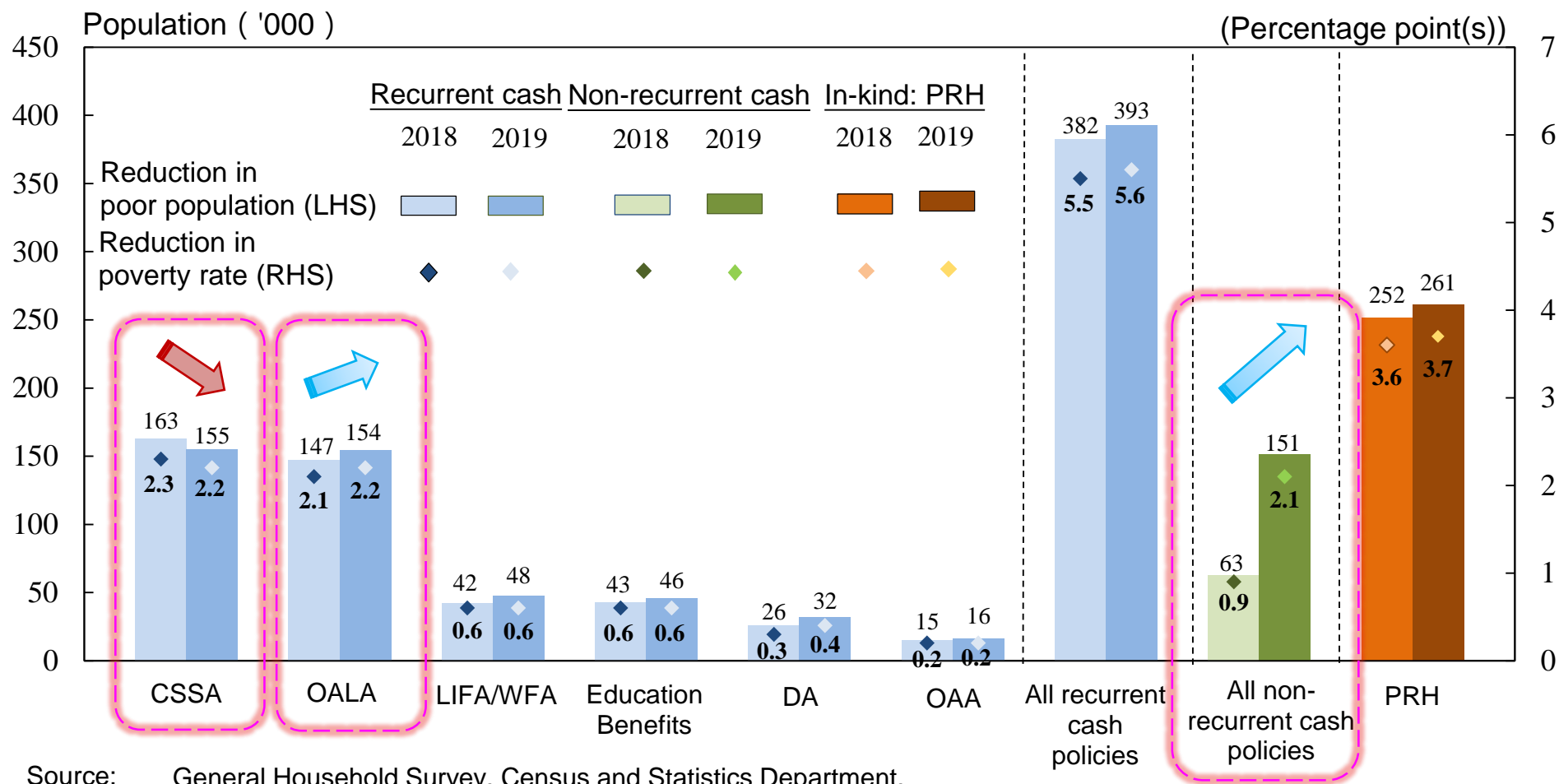
Effectiveness of recurrent cash benefits in poverty alleviation, 2009-2019
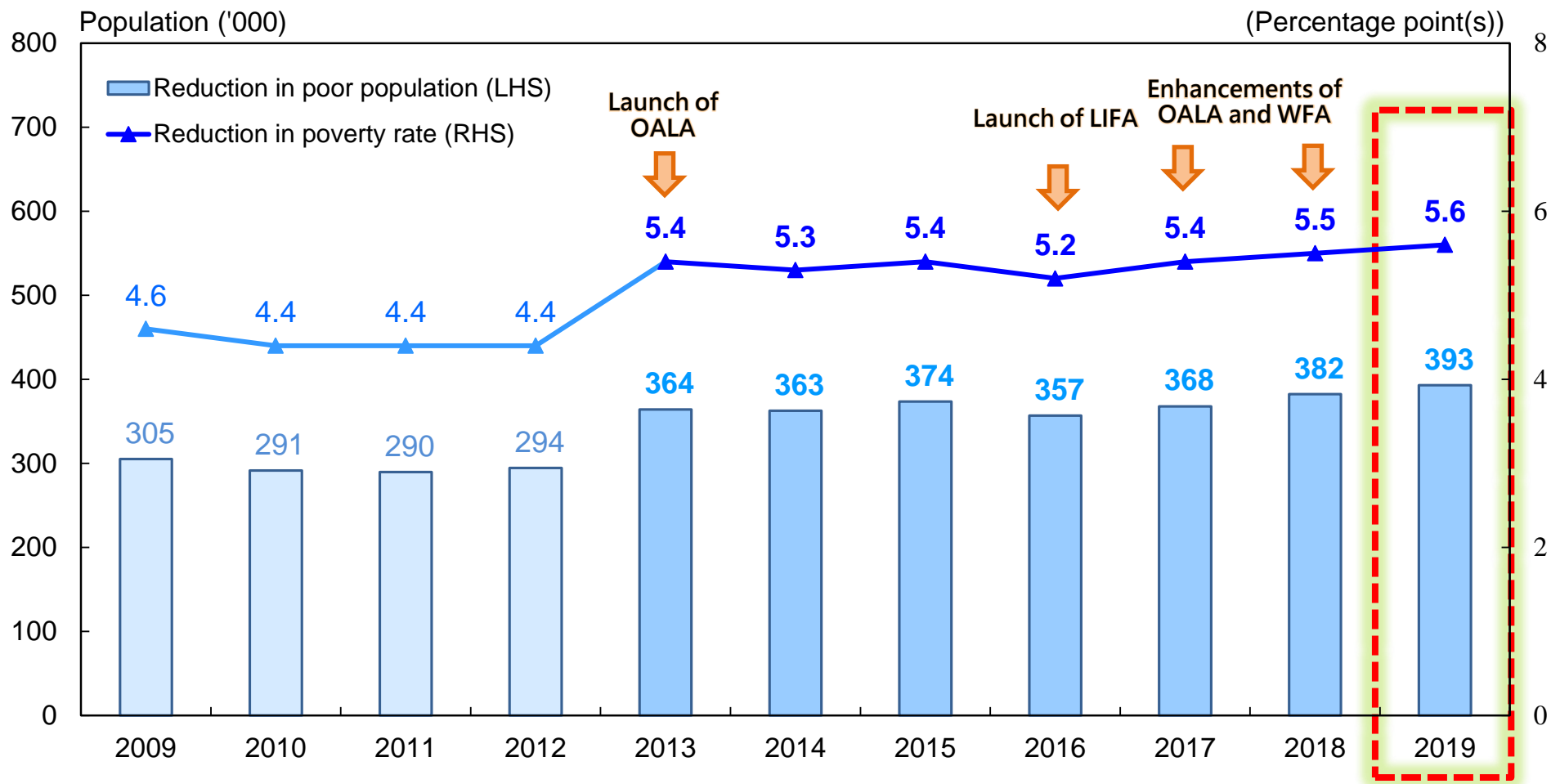
Source: General Household Survey, Census and Statistics Department.

Among recurrent cash measures, the poverty alleviation effectiveness of OALA strengthened somewhat, while that of CSSA weakened further amid a persistent decline in CSSA caseload.   Meanwhile, the poverty alleviation impact of non-recurrent cash policies increased notably from only 0.9 percentage point in 2018 to 2.1 percentage points in 2019, mainly due to the one-off Caring and Sharing Scheme and the offering of an additional two-month payment of social security allowance / WFA / WITS

Effectiveness of selected recurrent cash measures, non-recurrent cash measures and PRH provision in poverty alleviation, 2018-2019

Population（'000）

Recurrent cash   Non-recurrent cash   In-kind: PRH
2018   2019   2018   2019   2018   2019

Reduction in poor population (LHS)

Reduction in poverty rate (RHS)

(Percentage point(s))

	CSSA	OALA	LIFA/WFA	Education Benefits	DA	OAA	All recurrent cash policies	All non-recurrent cash policies	PRH
Population 2018	163	147	42	43	26	15	382	63	252
Population 2019	155	154	48	46	32	16	393	151	261
Rate 2018	2.3	2.1	0.6	0.6	0.3	0.2	5.5	0.9	3.6
Rate 2019	2.2	2.2	0.6	0.6	0.4	0.2	5.6	2.1	3.7

Source: General Household Survey, Census and Statistics Department.

Increases in poverty rates (only taking into account recurrent cash intervention) were observed in all age groups and a majority of selected socio-economic groups: this largely reflected the adverse impact of the worsened macroeconomic and employment conditions on household income of the grassroots and hence their livelihood

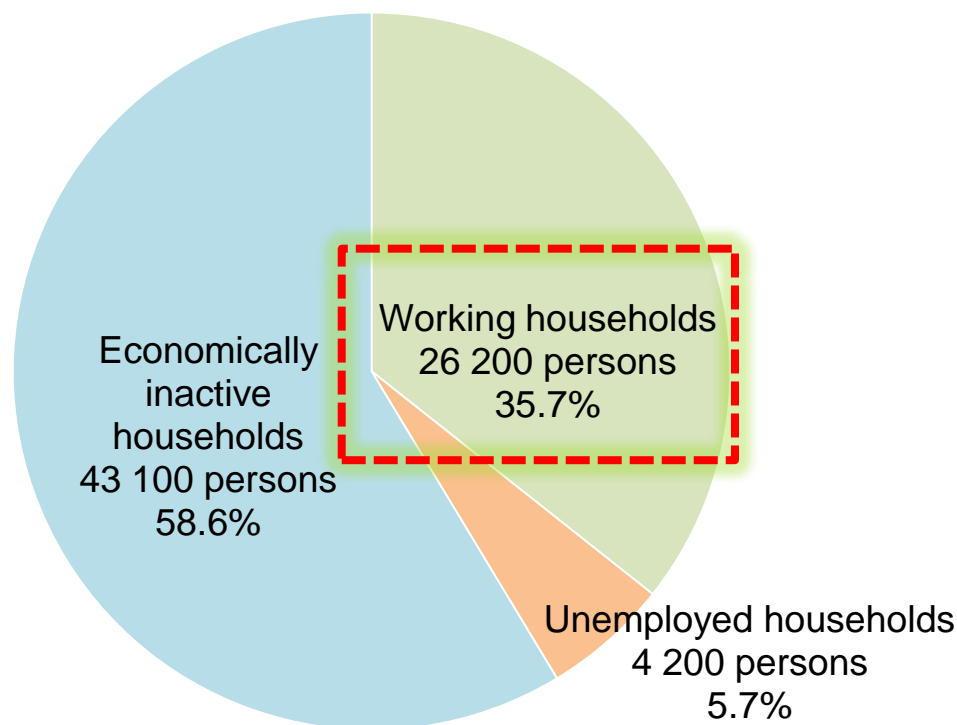|	Poverty rate (after recurrent cash intervention, %)		Annual change 2019 over 2018 (%pt(s))
	2018	**2019**	
Overall	**14.9**	**15.8**	**+0.9**
Children aged below 18	16.8	17.8	+1.0
Persons aged 18 to 64	10.5	11.2	+0.7
Elders aged 65 and above	30.9	32.0	+1.1
Economic groups			
Working households	8.0	8.4	+0.4
Unemployed households	70.5	70.8	+0.3
Economically inactive households	59.8	61.9	+2.1
Social groups			
CSSA households	45.9	48.0	+2.1
Elderly households	48.9	50.6	+1.7
Single-parent households	35.0	34.9	-0.1
Youth households	7.9	5.5	-2.4
Households with child(ren)	15.1	16.1	+1.0
New-arrival households	27.5	26.8	-0.7

Source: General Household Survey, Census and Statistics Department.

For further analyses on the poverty situations of selected groups, please see pages 38 to 50

III. Situation of the working poor in 2019

In 2019, over 35% of the increase in poor population were from working households…

Increase in poor population by economic characteristic of households, 2019

Economically inactive households
43 100 persons
58.6%

Working households
26 200 persons
35.7%

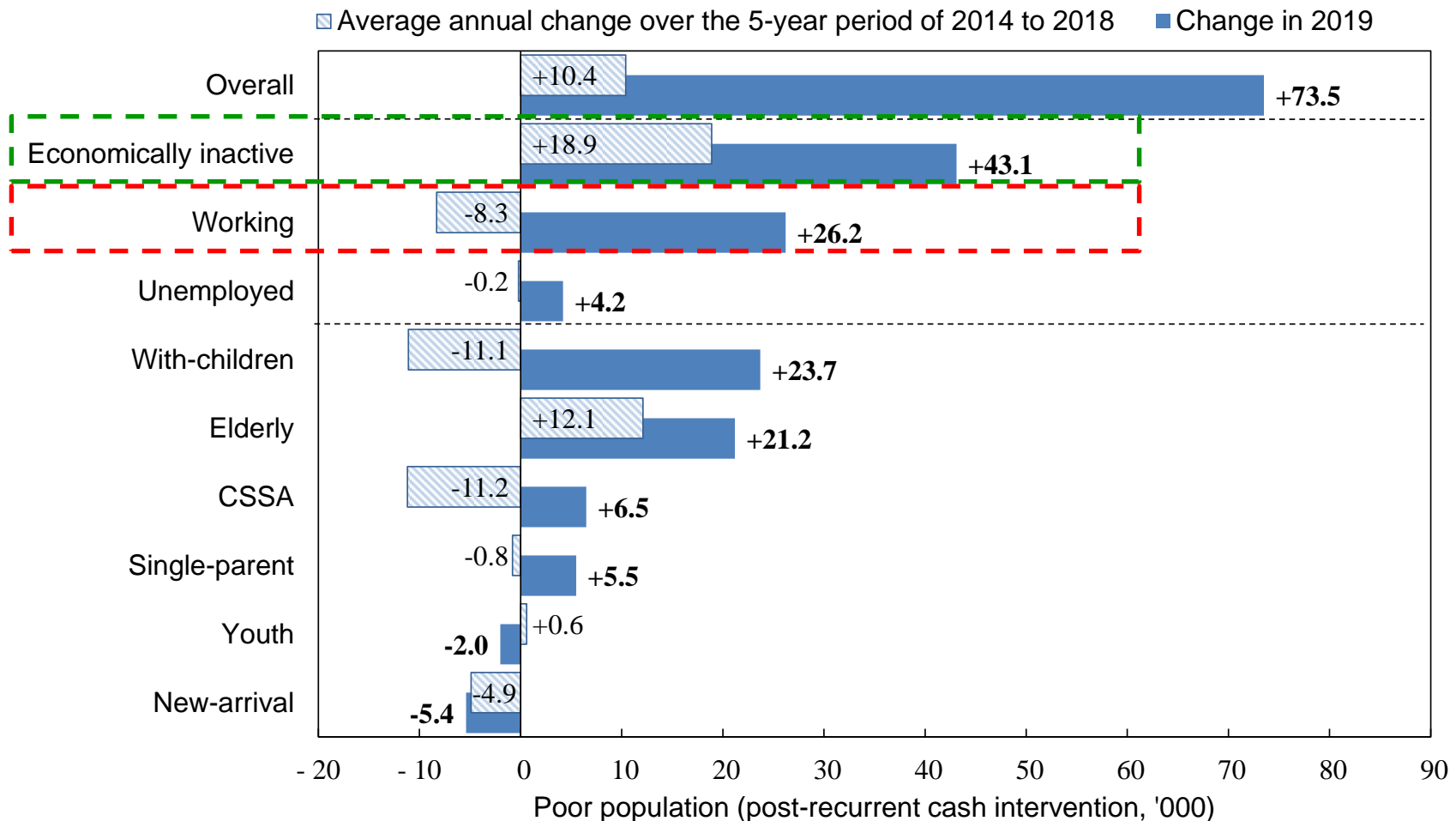Unemployed households
4 200 persons
5.7%

Increase in poor population: 73 500 persons

Note: Poverty statistics refer to statisitcs after recurrent cash policy intervention.
Source: General Household Survey, Census and Statistics Department.

…which was different from the situation in the past few years, when the increase was mainly contributed by economically inactive households while the size of the poor population from working households declined

Changes in the size of the post-intervention (recurrent cash) poor population by selected socio-economic group

Legend: ▢ Average annual change over the 5-year period of 2014 to 2018   ■ Change in 2019

Group	Average annual change 2014-2018	Change in 2019
Overall	+10.4	+73.5
Economically inactive	+18.9	+43.1
Working	-8.3	+26.2
Unemployed	-0.2	+4.2
With-children	-11.1	+23.7
Elderly	+12.1	+21.2
CSSA	-11.2	+6.5
Single-parent	-0.8	+5.5
Youth	+0.6	-2.0
New-arrival	-4.9	-5.4

Poor population (post-recurrent cash intervention, '000)

Source: General Household Survey, Census and Statistics Department.

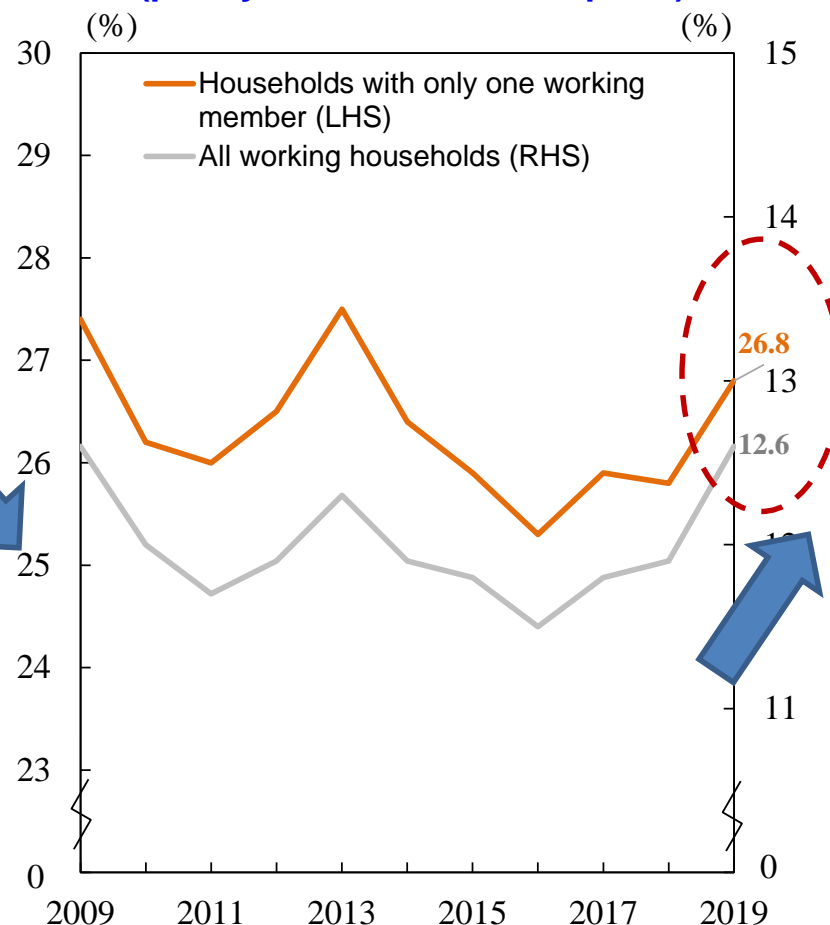**In fact, the poverty situation of working households was more sensitive to economic vicissitudes:** with the local economy in 2019 falling into the first recession since 2009, the poverty rate of working households also saw notable increases in tandem

(a) Economic growth
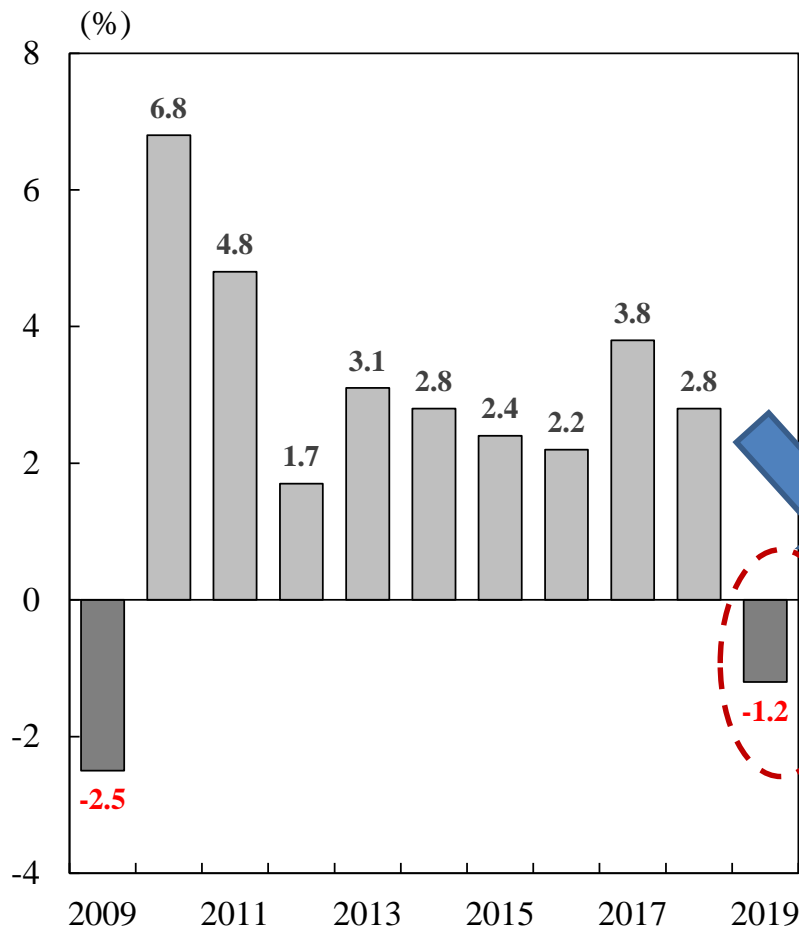
(b) Pre-intervention poverty rate (purely theoretical assumption)

Note: In order to provide a more accurate analysis of the impacts of economic cycles on the poverty situation of working households, poverty statistics of pre-intervention (purely hypothetical assumption) are used in this slide, so as to net out the effect of the Government's policy intervention.

Sources: Quarterly Report on Gross Domestic Product and General Household Survey, Census and Statistics Department.

The increase in the proportion of working households with only one working member was in line with the fall in total employment for 2019 as a whole. Families suffering any loss in number of working members (with some even left with only one breadwinner) would immediately face heavier burden of supporting dependants and higher poverty risks

(a) The proportion of households with each number of working members among all working households

Share of households (%)

[1.7]

45.8 47.4

[-1.0]

40.1 39.2

[-0.7]

14.1 13.4

■ 2018
■ 2019

Number of working members in households

(b) Poverty rate by number of working members in households

Poverty rate (%)

25.8 26.8

■ 2018
■ 2019

Poverty situation of families with 2 or 3+ working members remained stable in 2019

4.9 4.9

0.9 0.8

Number of working members in households

Notes: [ ]   The change in share of households in percentage point(s) are included in square brackets, calculated using unrounded figures.
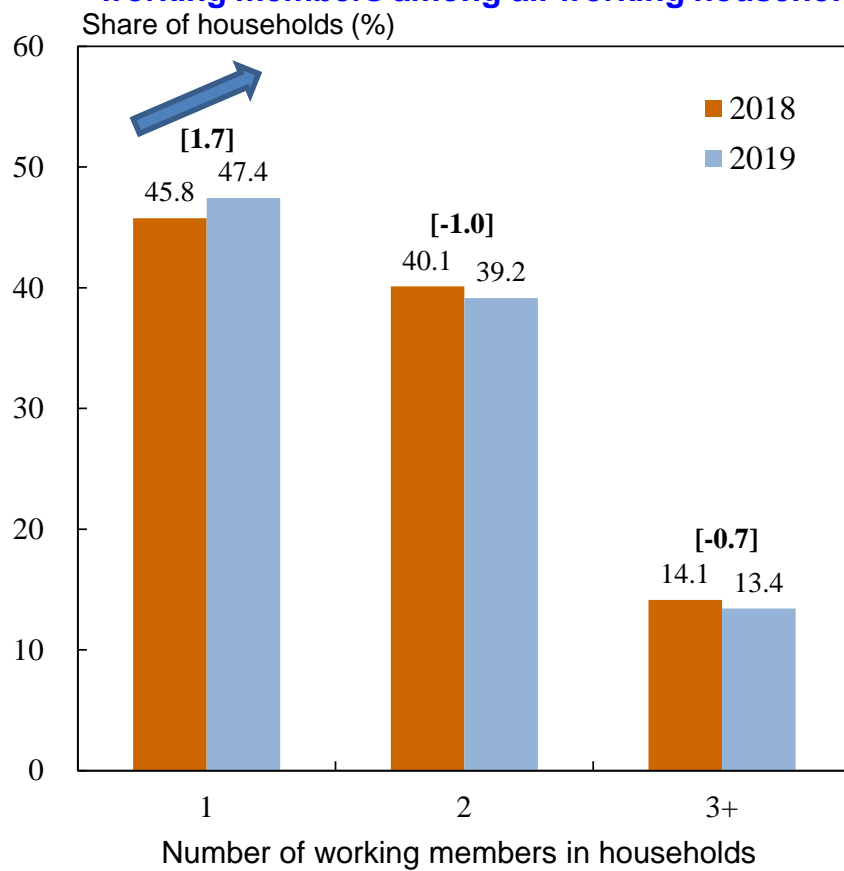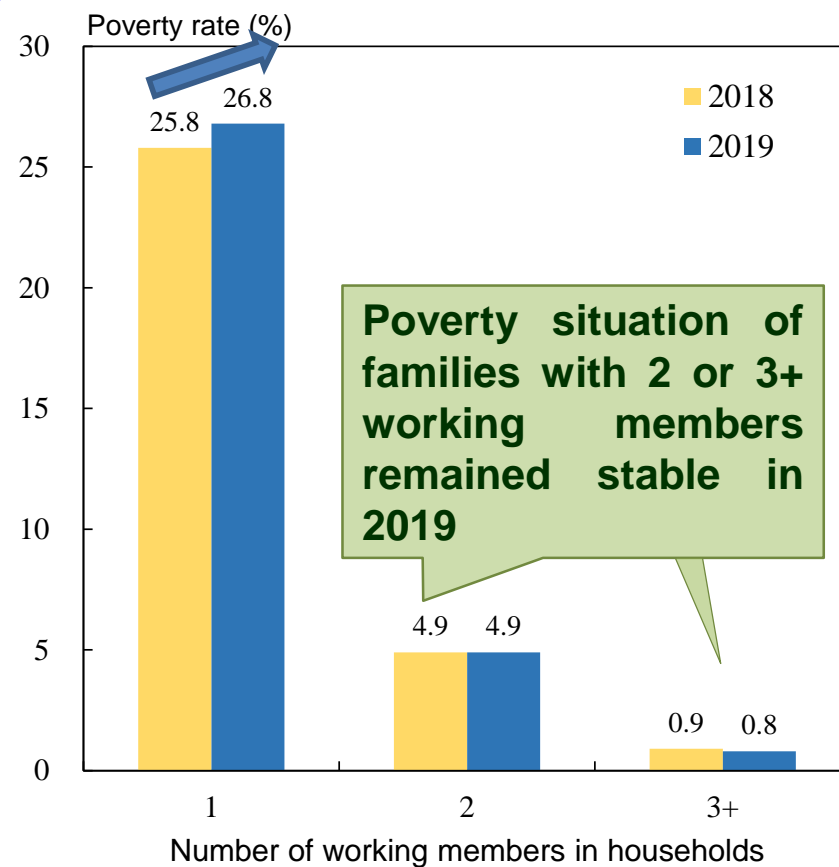In order to provide a more accurate analysis of the impacts of economic cycles on the poverty situation of working households, poverty statistics of pre-intervention (purely theoretical assumption) are used in this slide, so as to net out the effect of the Government's policy intervention.

Source: General Household Survey, Census and Statistics Department.

Over half of the increase in pre-intervention (purely theoretical assumption) working poor households were those with four persons and above, most of them being with-children households. This partly explains the concurrent deterioration in situations of the working poor and child poverty in 2019

Increase in working poor households by household size, 2019

4-person+
7 200 households
50.8%

3-person
2 600 households
17.9%

2-person
1 900 households
13.3%

1-person
2 600 households
18.0%
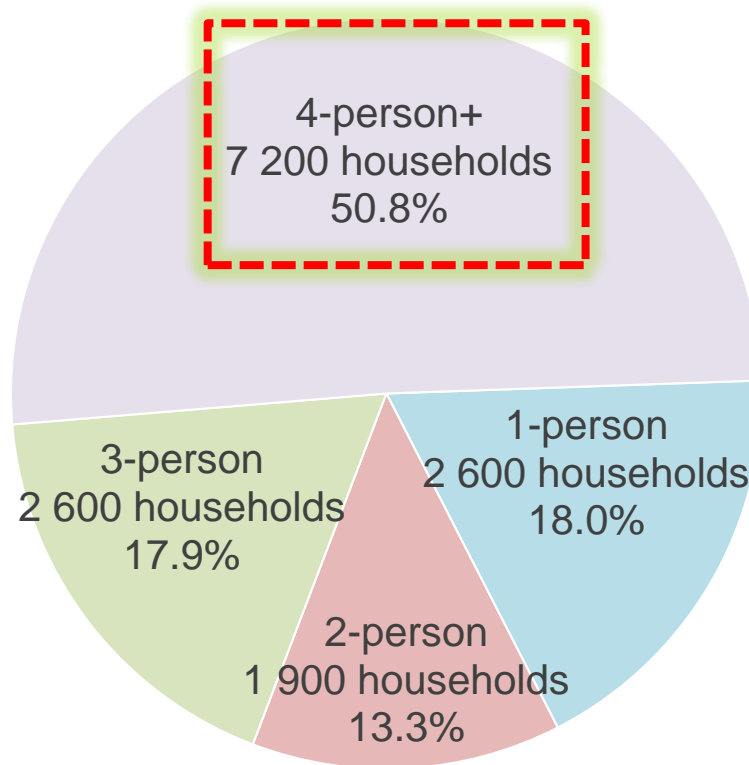
Increase in working poor households: 14 300 households
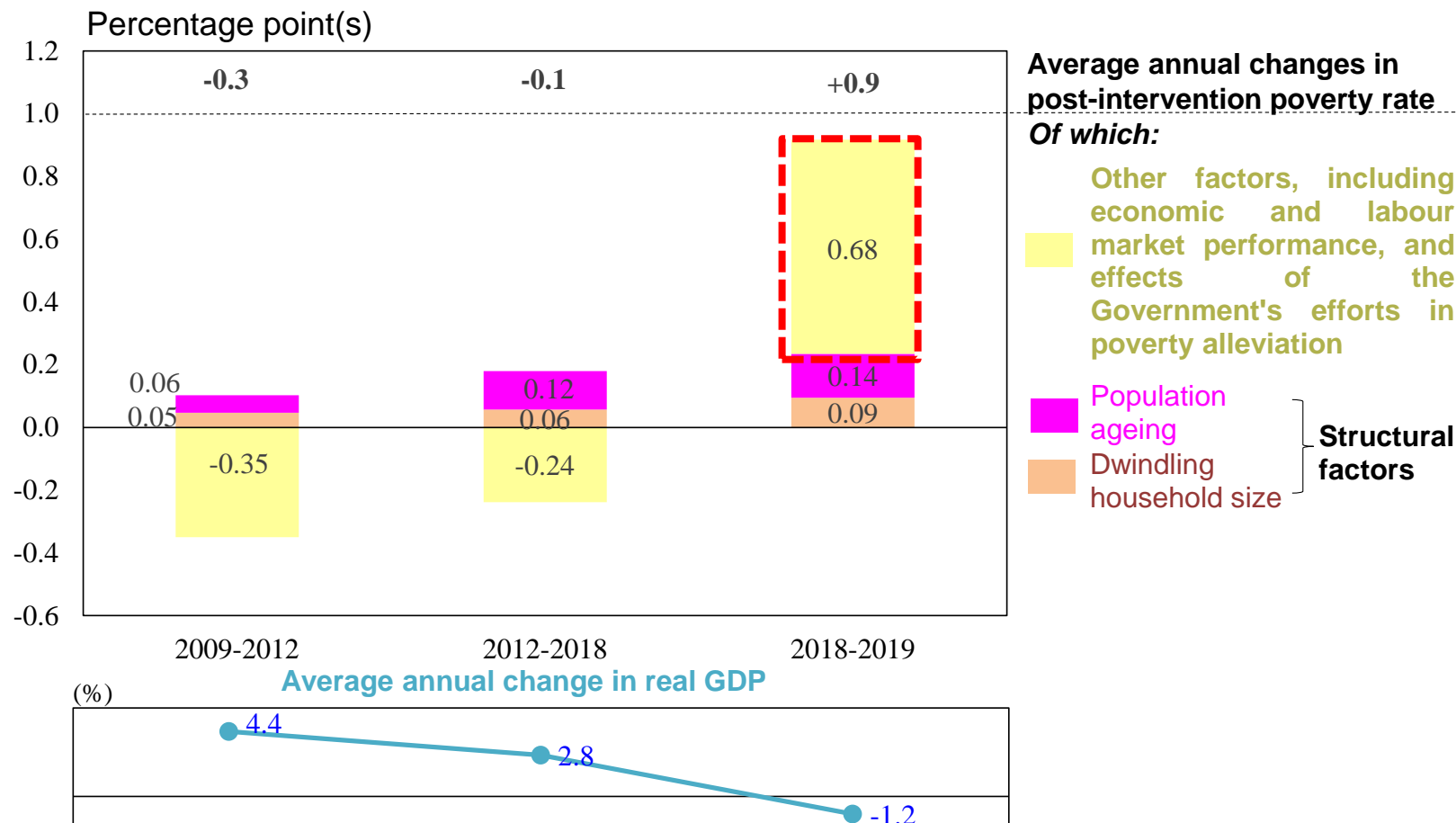
Note: Poverty statistics refer to statistics before policy intervention (purely theoretical assumption).
Source: General Household Survey, Census and Statistics Department.

In sum, economic recession is one of the main reasons for the visible increase in the post-recurrent cash intervention poverty rate in 2019. Structural factors such as population ageing also exert continuous upward pressures

Percentage point(s)

Average annual changes in post-intervention poverty rate

Of which:

Other factors, including economic and labour market performance, and effects of the Government's efforts in poverty alleviation

Population ageing

Dwindling household size

Structural factors

Chart values:

	2009-2012	2012-2018	2018-2019
Total	-0.3	-0.1	+0.9
Other factors	-0.35	-0.24	0.68
Population ageing	0.06	0.12	0.14
Dwindling household size	0.05	0.06	0.09

Average annual change in real GDP
(%)

2009-2012	2012-2018	2018-2019
4.4	2.8	-1.2

Notes: Average annual changes in the poverty rate were computed based on rounded figures, while those for individual factors in the decomposition of the poverty rate were computed based on unrounded figures. The sum of the latter may thus differ slightly from the total.
Poverty statistics refer to statistics after recurrent cash policy intervention.

Sources: General Household Survey and Quarterly Report on Gross Domestic Product, Census and Statistics Department.

IV. Key observations

1. **While the economy fell into recession in 2019, the overall poverty situation did remain broadly stable after taking the all-round effects of all selected measures into account**

   - Taking into account the holistic effect from **non-recurrent cash and in-kind measures (e.g. PRH), the poverty rate edged down by 0.1 percentage point in 2019, suggesting that these measures as a whole did help relieve the impact of economic recession on poor families.**

2. **However, due to the limitations of the poverty line framework, the post-recurrent cash intervention poverty figures adopted in the main analysis saw notable worsening**

   - **Though the poverty alleviation effectiveness of recurrent cash measures improved for the third consecutive year and was a record high since the compilation of poverty statistics**, this could not fully offset the negative impacts from economic recession, the social and demographic structural changes.

   - The post-recurrent cash intervention poverty situation worsened in a majority of groups classified under different attributes. **The worsening of working poor situation clearly demonstrated the notable impact of economic factors on poverty, with the child poverty also seeing a deterioration in tandem.**

IV. Outlook

- The COVID-19 pandemic has dragged both the global and Hong Kong economies into unprecedented recession in 2020 and created exceptionally high uncertainties. **The labour market situation deteriorated notably, and in turn impacted further on the livelihood of grassroots workers and their family members.**

- **The Government has rolled out a series of support measures in order to provide multi-faceted support for the needy to weather the impacts of the recession and the pandemic. Major measures included:**
  - ➤ **$120 billion** worth of counter-cyclical measures rolled out in the *2020/21 Budget* (e.g. $10,000 Cash Payout Scheme);
  - ➤ Total **$162.3 billion** in Anti-epidemic Fund

- **Constrained by the limitation that the "Poverty Line" framework only takes recurrent cash measures into account**, the impact of the above measures could not be completely reflected in the main poverty statistics, notwithstanding their massive scales and their effects on supporting Hong Kong's economy and relieving people's financial pressures.

- Furthermore, the Chief Executive proposed in her *2020 Policy Address* that a trial scheme will be implemented in mid-2021 to provide cash allowance for around 90 000 eligible households which have been waiting for PRH for more than three years, and that the Government is committed to providing 15 000 units of transitional housing in the coming three years. The majority of these measures, due to the same limitation, will also not be technically reflected in the poverty statistics under the main analytical framework.

Main Analysis of the Poverty Situation in 2019 – Supplementary Information

Office of the Government Economist
Financial Secretary's Office | Census and Statistics Department

Supplementary information - Outline

(i) **Recurrent government expenditure on social welfare and measures not covered in the main analytical framework**

(ii) **Further supplementary poverty statistics taking into account non-recurrent cash and/ or in-kind benefits**

(iii) **Further analyses on the poverty situations of selected groups**

(i) Recurrent government expenditure on social welfare and measures not covered in the main analytical framework

The Government has been allocating more resources to improve people's livelihood

Recurrent government expenditure on social welfare, 2009/10-2020/21*
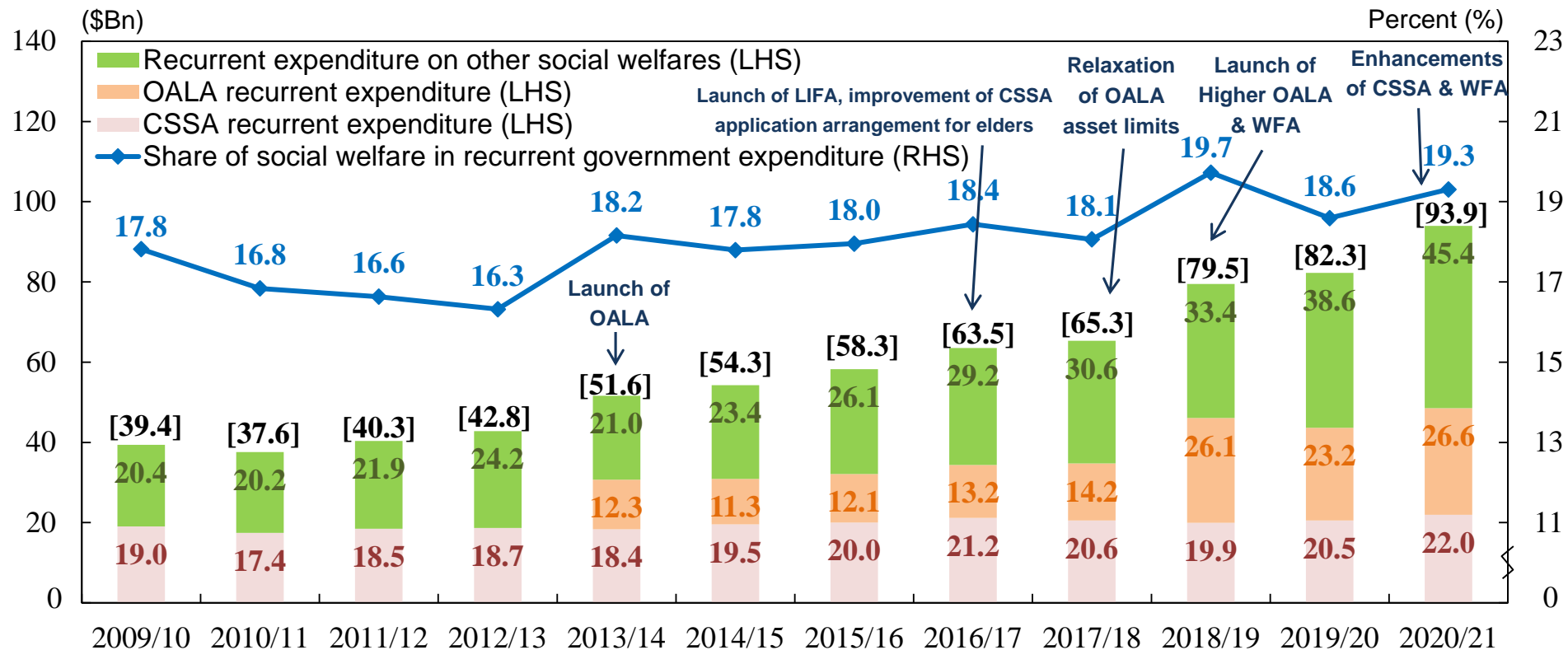
Notes : (*) Figures for 2018/19 and before are actual figures. Those for 2019/20 and 2020/21 are revised estimates and estimates respectively.
[ ] Figures in square brackets denote total recurrent expenditure on social welfare.
Sum of individual items may not add up to total due to rounding.
Source: Financial Services and the Treasury Bureau.

The poverty line is an effective analytical tool, though with some limitations

- Currently, **the main analytical framework only takes into account the poverty alleviation effects of recurrent cash policies**, and does not reflect the effects of other policies, such as one-off relief measures, PRH benefits, and universal in-kind benefits (e.g. Elderly Health Care Voucher and $2 Public Transport Fare Concession)

Poverty alleviation impact of some measures are presented as supplementary information for reference only, not reflected in the main poverty statistics

Non-means-tested universal in-kind benefits are not covered in the poverty line analytical framework

Non-recurrent cash	$10,000 Cash Payout Scheme
	Caring and Sharing Scheme ($4,000 Scheme)

Community Care Fund (CCF) — Increasing the academic expenses grant under the Financial Assistance Scheme for Post-secondary Students

Extra allowance to recipients of social security payments	Reducing salaries tax and tax under personal assessment; waiving rates	…

Means-tested in-kind benefits	Public rental housing (PRH)
	School-based After-school Learning and Support Programmes

CCF — Elderly Dental Assistance Programme	Free Lunch at Schools	…

Elderly Health Care Voucher	$2 Public Transport Fare Concession
Kindergarten Education Scheme	After-school child care services

Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong

Study Subsidy Scheme for Designated Professions/Sectors

Residential and Community Care Services for the Elderly

Free for primary and secondary education and funding for higher education

Public healthcare services	…

(ii) **Further supplementary poverty statistics taking into account non-recurrent cash and/ or in-kind benefits**

The poverty rate taking into account all selected measures was 9.2% in 2019, 0.1 percentage point lower than that in 2018

Poor households, poor population and poverty rates taking into account recurrent, non-recurrent and/or in-kind measures, 2019

	Poor households	Poor population	Poverty rate
Post-intervention (recurrent + non-recurrent cash + in-kind benefits)	**0.287 mn (0.276 mn)**	**0.642 mn (0.638 mn)**	**9.2% (9.3%)** ↓
Post-intervention (recurrent cash)	**0.474 mn (0.435 mn)**	**1.098 mn (1.024 mn)**	**15.8% (14.9%)**
Pre-intervention (purely theoretical assumption)	**0.649 mn (0.613 mn)**	**1.491 mn (1.406 mn)**	**21.4% (20.4%)**
Post-intervention (recurrent cash + non-recurrent cash)	**0.399 mn (0.385 mn)**	**0.910 mn (0.913 mn)**	**13.1% (13.3%)**
Post-intervention (recurrent cash + in-kind benefits)	**0.340 mn (0.316 mn)**	**0.778 mn (0.730 mn)**	**11.2% (10.6%)**

Note: (   )   Figures in parentheses refer to corresponding figures for 2018.

Source: General Household Survey, Census and Statistics Department.

The poverty rates improved further across all selected age and socio-economic groups after intervention of all selected measures

Poverty rate after policy intervention (recurrent cash and all selected measures) by selected group, 2019

■ Recurrent cash   ■ All selected measures

(a) By age

Poverty rate (%)

Group	Recurrent cash	All selected measures
Children aged below 18	17.8	9.3
Persons aged 18 to 64	11.2	6.5
Of whom: Youths aged 18 to 29	9.7	5.2
Persons aged 30 to 64	11.5	6.8
Elders aged 65 and above	32.0	19.7
Overall	15.8	9.2

(b) By socio-economic group

Poverty rate (%)

Social characteristics

Group	Recurrent cash	All selected measures
CSSA households	48.0	15.0
Elderly households	50.6	30.9
Single-parent households	34.9	15.1
New-arrival households	26.8	14.6
Households with children	16.1	8.4
Youth households	5.5	4.2

Economic characteristics

Group	Recurrent cash	All selected measures
Unemployed households	70.8	55.3
Economically inactive households	61.9	40.4
Working households	8.4	4.1

Source : General Household Survey, Census and Statistics Department.

The poverty alleviation impact of non-recurrent cash benefits was visible: the impact was far higher than that in 2018, mainly attributable to the Caring and Sharing Scheme that handed out a maximum of $4,000. Hence, the poverty rate fell from 13.3% in 2018 to 13.1% in 2019

Poor population and poverty rate after taking into account recurrent cash and non-recurrent cash measures, 2009-2019

Poor population ('000)

Pre-intervention (purely theoretical assumption)

Post-intervention (recurrent cash)

Post-intervention (recurrent+non-recurrent cash)
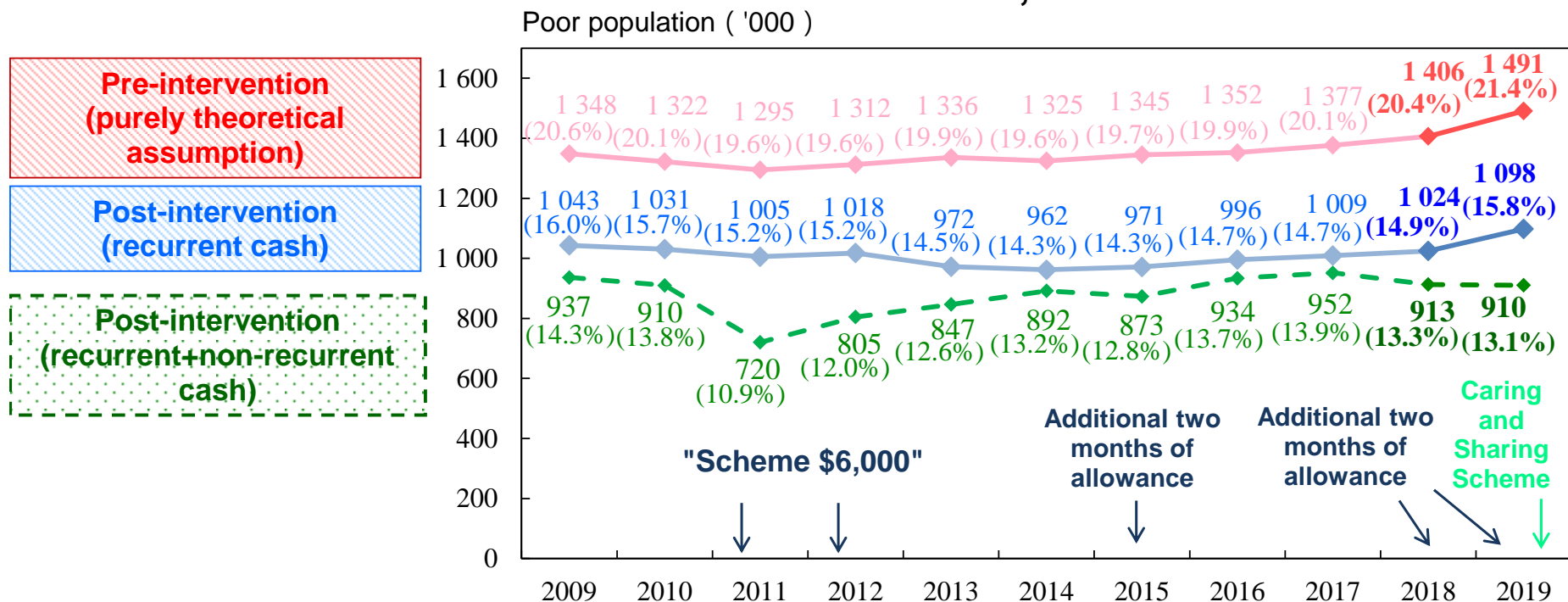
Pre-intervention (purely theoretical assumption):
1 348 (20.6%), 1 322 (20.1%), 1 295 (19.6%), 1 312 (19.6%), 1 336 (19.9%), 1 325 (19.6%), 1 345 (19.7%), 1 352 (19.9%), 1 377 (20.1%), 1 406 (20.4%), 1 491 (21.4%)

Post-intervention (recurrent cash):
1 043 (16.0%), 1 031 (15.7%), 1 005 (15.2%), 1 018 (15.2%), 972 (14.5%), 962 (14.3%), 971 (14.3%), 996 (14.7%), 1 009 (14.7%), 1 024 (14.9%), 1 098 (15.8%)

Post-intervention (recurrent+non-recurrent cash):
937 (14.3%), 910 (13.8%), 720 (10.9%), 805 (12.0%), 847 (12.6%), 892 (13.2%), 873 (12.8%), 934 (13.7%), 952 (13.9%), 913 (13.3%), 910 (13.1%)

"Scheme $6,000"

Additional two months of allowance

Additional two months of allowance

Caring and Sharing Scheme

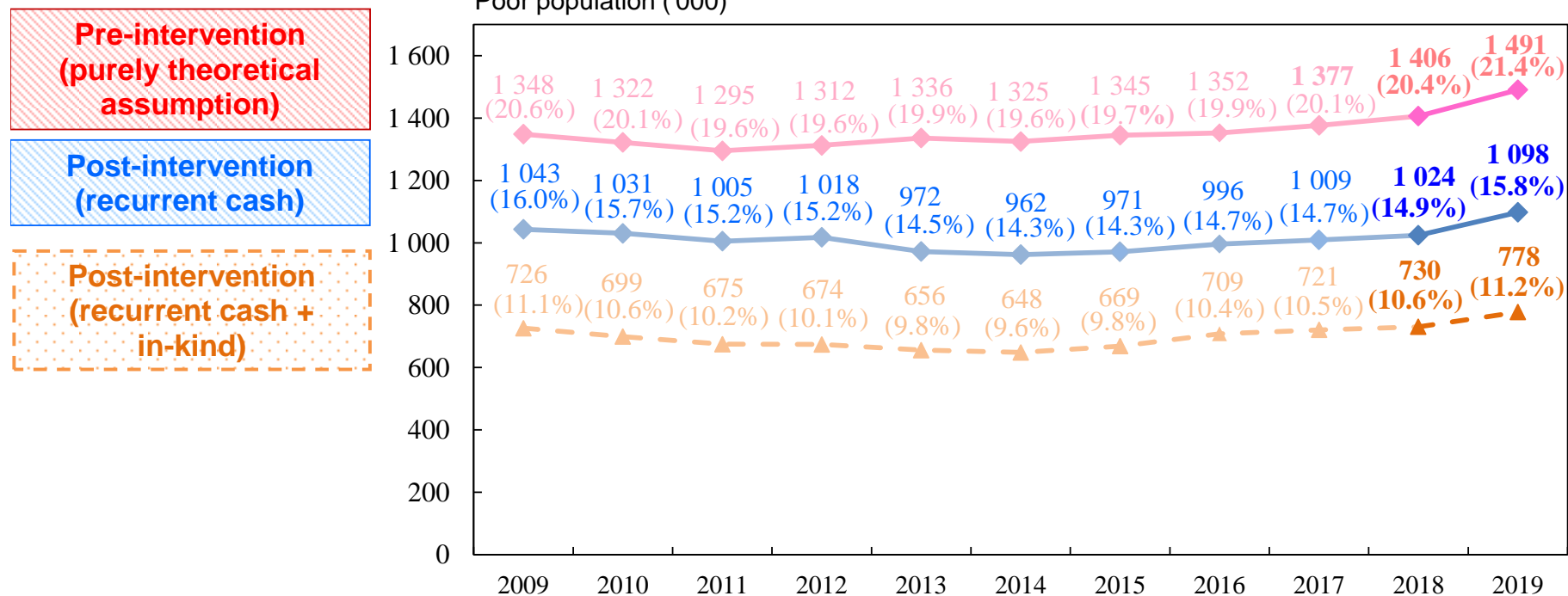| Poor households ('000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-intervention (purely theoretical assumption)	541	536	530	541	555	555	570	582	594	613	649
Post-intervention (recurrent cash)	406	405	399	403	385	383	392	412	420	435	474
Post-intervention (recurrent + non-recurrent cash)	361	354	281	312	333	355	354	387	397	385	399

Notes: ( ) Figures in parentheses denote the corresponding poverty rates.
Non-recurrent cash measures include salaries tax reduction and rates concession, Caring and Sharing Scheme, offering an additional two months of social security allowance / WFA / WITS, electricity charges subsidy, cash measures under the Community Care Fund, etc.
Source: General Household Survey, Census and Statistics Department.

The poverty alleviation impact of in-kind benefits was higher than that in 2018: some additional 0.32 million persons were lifted out of poverty, with the poverty rate narrowed by 4.6 percentage points to 11.2%. The reduction in poverty rate was 0.3 percentage point higher than that in 2018

Poor population and poverty rate after taking into account recurrent cash and in-kind benefits, 2009-2019

Poor population ('000)

	Pre-intervention (purely theoretical assumption)
	Post-intervention (recurrent cash)
	Post-intervention (recurrent cash + in-kind)

Pre-intervention (purely theoretical assumption):
1 348 (20.6%), 1 322 (20.1%), 1 295 (19.6%), 1 312 (19.6%), 1 336 (19.9%), 1 325 (19.6%), 1 345 (19.7%), 1 352 (19.9%), 1 377 (20.1%), 1 406 (20.4%), 1 491 (21.4%)

Post-intervention (recurrent cash):
1 043 (16.0%), 1 031 (15.7%), 1 005 (15.2%), 1 018 (15.2%), 972 (14.5%), 962 (14.3%), 971 (14.3%), 996 (14.7%), 1 009 (14.7%), 1 024 (14.9%), 1 098 (15.8%)

Post-intervention (recurrent cash + in-kind):
726 (11.1%), 699 (10.6%), 675 (10.2%), 674 (10.1%), 656 (9.8%), 648 (9.6%), 669 (9.8%), 709 (10.4%), 721 (10.5%), 730 (10.6%), 778 (11.2%)

Poor households ('000)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-intervention (purely theoretical assumption)	541	536	530	541	555	555	570	582	594	613	649
Post-intervention (recurrent cash)	406	405	399	403	385	383	392	412	420	435	474
Post-intervention (recurrent cash + in-kind)	284	278	271	272	269	271	281	304	308	316	340

Notes:　（ ）Figures in parentheses refer to the corresponding poverty rates.
Means-tested in-kind benefits include PRH, Free Lunch at Schools, School-based After-school Learning and Support Programmes, Kindergarten and Child Care Centre Fee Remission Scheme, Elderly Dental Assistance Programme under the Community Care Fund, etc.
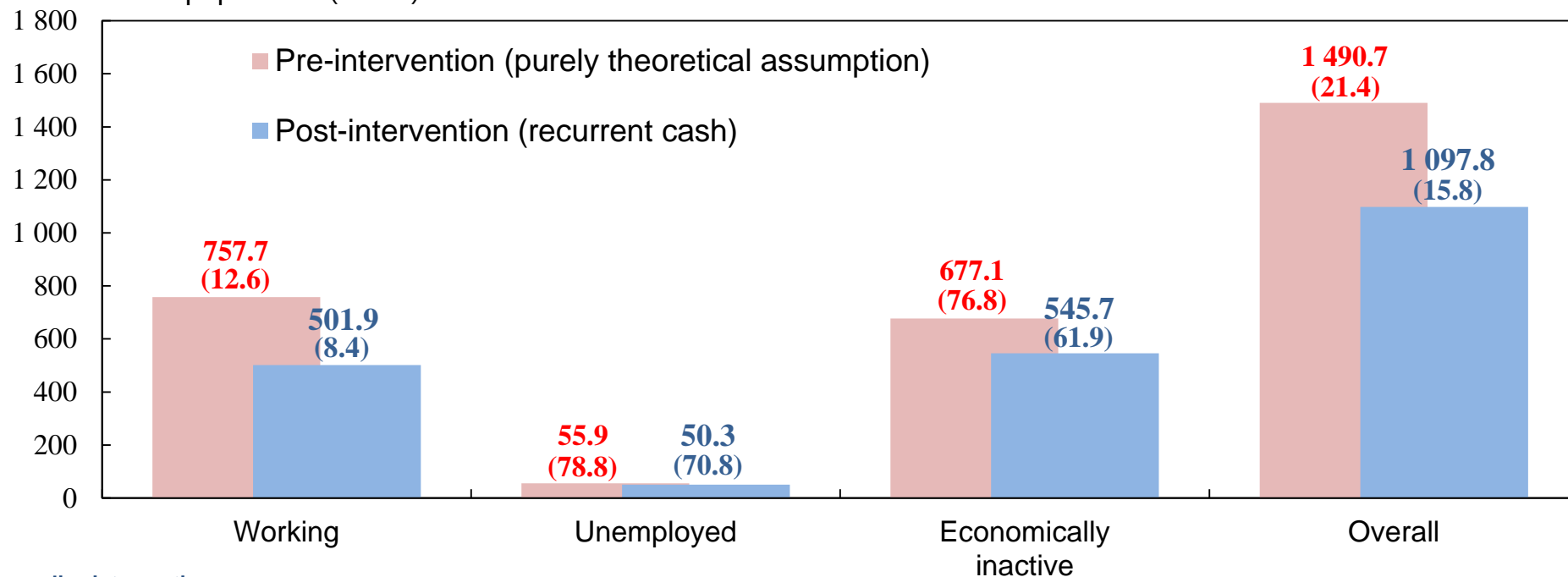
Source:　General Households Survey, Census and Statistics Department.

(iii) Further analyses on the poverty situations of selected groups

Analysed by economic characteristic: amid a notably weakened labour market, the poverty rate of working households increased by 0.4 percentage point to 8.4%, a new high in recent years. As for economically inactive households, the poverty rate also rose notably by 2.1 percentage points to 61.9%. Besides the ageing trend, conceivably some persons might also choose to leave the labour market alongside persistently subdued economic conditions, resulting in an increase in the number of poor economically inactive households and size of population therein

Poor population and poverty rate by economic characteristic, 2019

Poor population（'000）

	Working	Unemployed	Economically inactive	Overall
Pre-intervention	757.7 (12.6)	55.9 (78.8)	677.1 (76.8)	1 490.7 (21.4)
Post-intervention	501.9 (8.4)	50.3 (70.8)	545.7 (61.9)	1 097.8 (15.8)

After policy intervention:
Changes compared to 2018

	Working	Unemployed	Economically inactive	Overall
Poor population ('000)	+26.2	+4.2	+43.1	+73.5
Poverty rate (% point(s))	+0.4	+0.3	+2.1	+0.9

Note: （）   Figures in parentheses refer to the corresponding poverty rates.
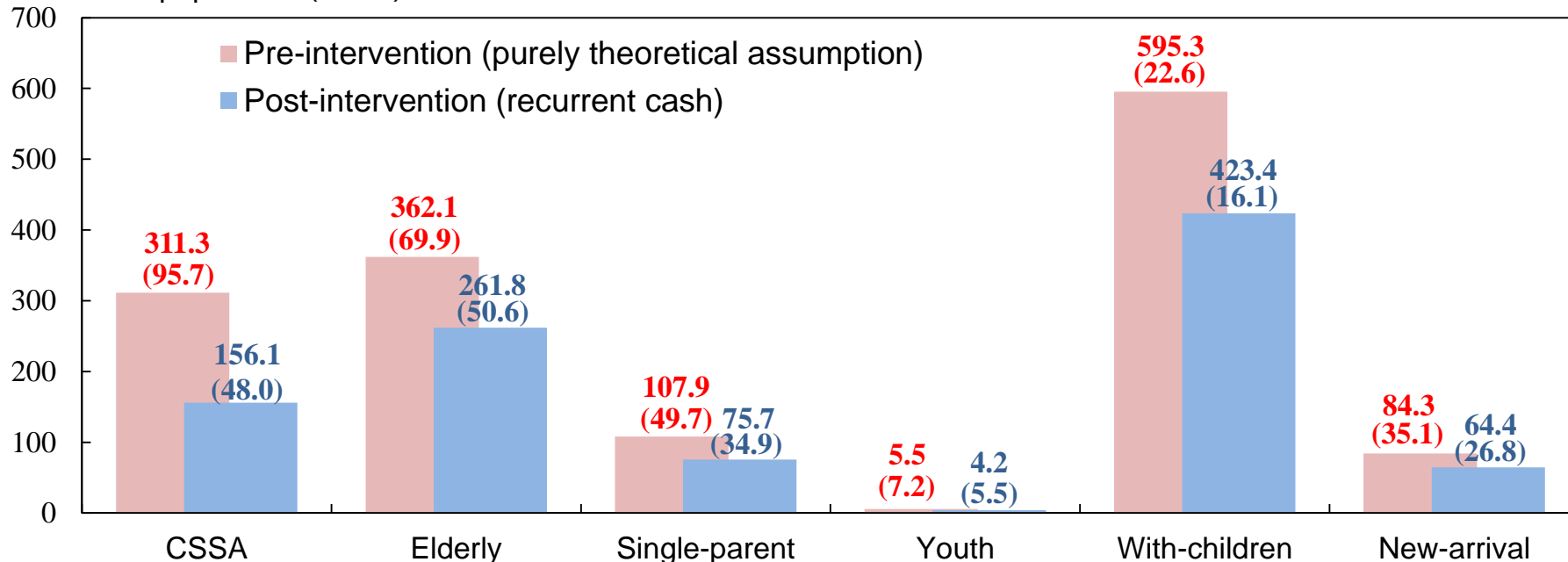Source: General Household Survey, Census and Statistics Department.

Analysed by social characteristic: the poverty rates of some social groups (CSSA, elderly and with-children households) went up; while those of single-parent households and new-arrival households registered declines, largely reflecting the strengthened poverty alleviation effect of recurrent cash measures on these groups. The rise in proportion of working members within youth households might have contributed to its decline in poverty rate

Poor population and poverty rate by social characteristic, 2019

Poor population（'000）

Group	Pre-intervention	Post-intervention
CSSA	311.3 (95.7)	156.1 (48.0)
Elderly	362.1 (69.9)	261.8 (50.6)
Single-parent	107.9 (49.7)	75.7 (34.9)
Youth	5.5 (7.2)	4.2 (5.5)
With-children	595.3 (22.6)	423.4 (16.1)
New-arrival	84.3 (35.1)	64.4 (26.8)

Legend:
- Pre-intervention (purely theoretical assumption)
- Post-intervention (recurrent cash)

After policy intervention:
Changes compared to 2018

	CSSA	Elderly	Single-parent	Youth	With-children	New-arrival
Poor population ('000)	+6.5	+21.2	+5.5	-2.0	+23.7	-5.4
Poverty rate (% point(s))	+2.1	+1.7	-0.1	-2.4	+1.0	-0.7

Note: （ ） Figures in parentheses refer to the corresponding poverty rates.
Source: General Household Survey, Census and Statistics Department.

In 2019, the child poverty rate rebounded by 1.0 percentage point to 17.8%, the highest level since 2015. Most of the increase in poor children were from larger working families. Conceivably, this was closely related to the significant increase in number of working poor households amid worsened employment conditions

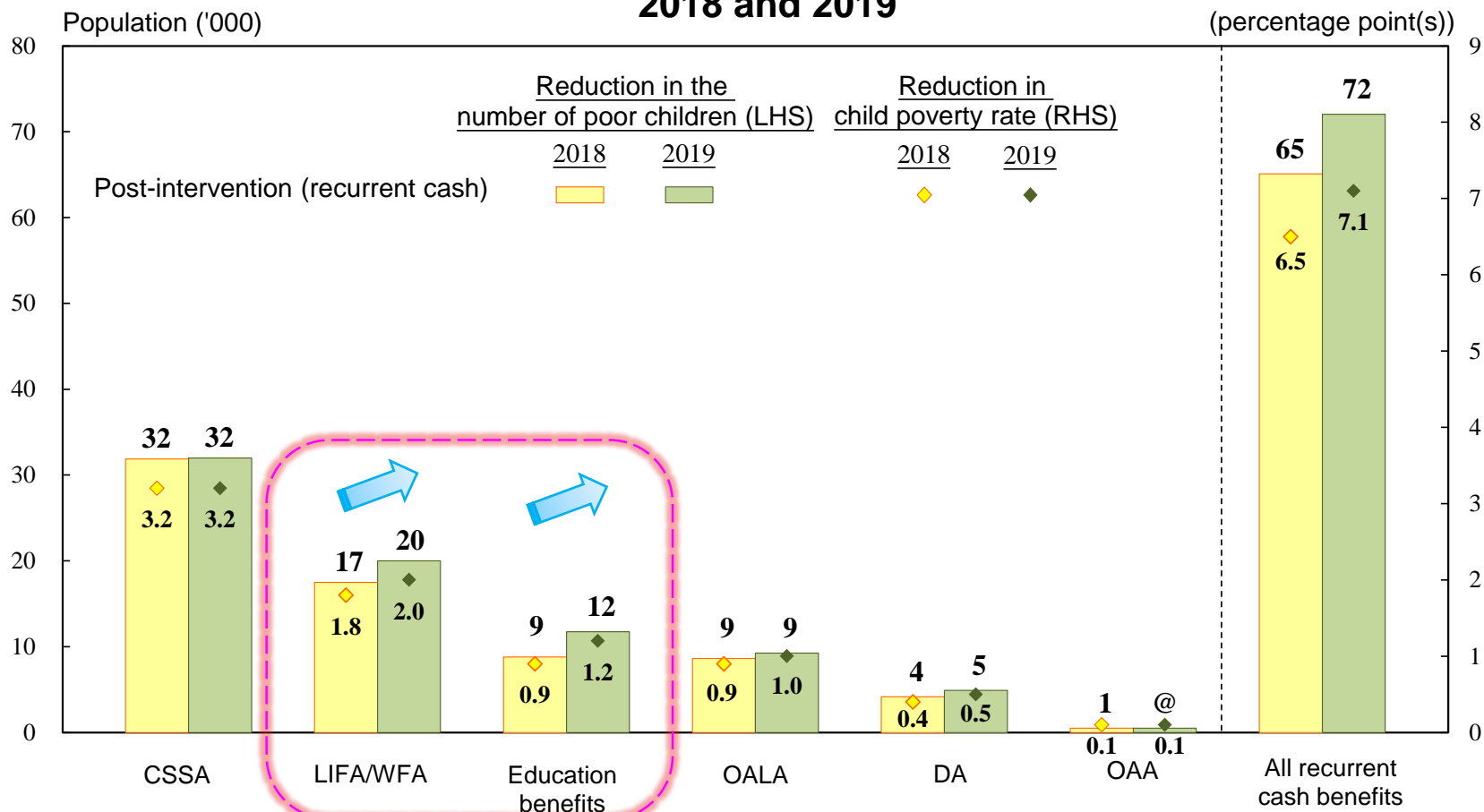### Poor population and poverty rate of children, 2009-2019
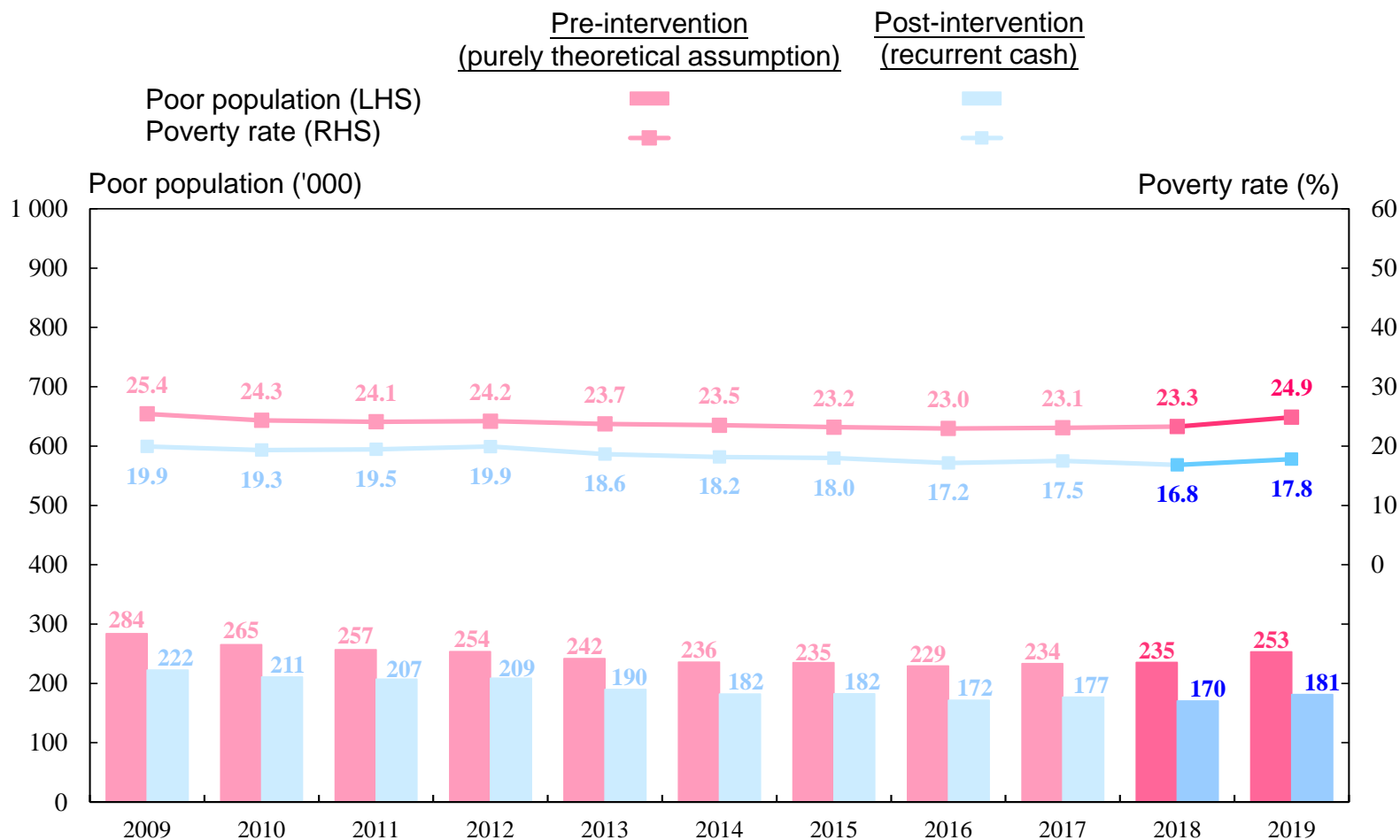
Source: General Household Survey, Census and Statistics Department.

The poverty alleviation impact on children increased further, lowering the poverty rate by 7.1 percentage points in 2019, or up by 0.6 percentage point over 2018. Benefitting from the introduction of the Student Grant of $2,500 starting from the 2019/20 school year, the impact of education benefits increased by 0.3 percentage point to 1.2 percentage points; the impact of WFA also increased by 0.2 percentage point to 2.0 percentage points

Effectiveness of selected recurrent cash benefits in poverty alleviation on children*, 2018 and 2019
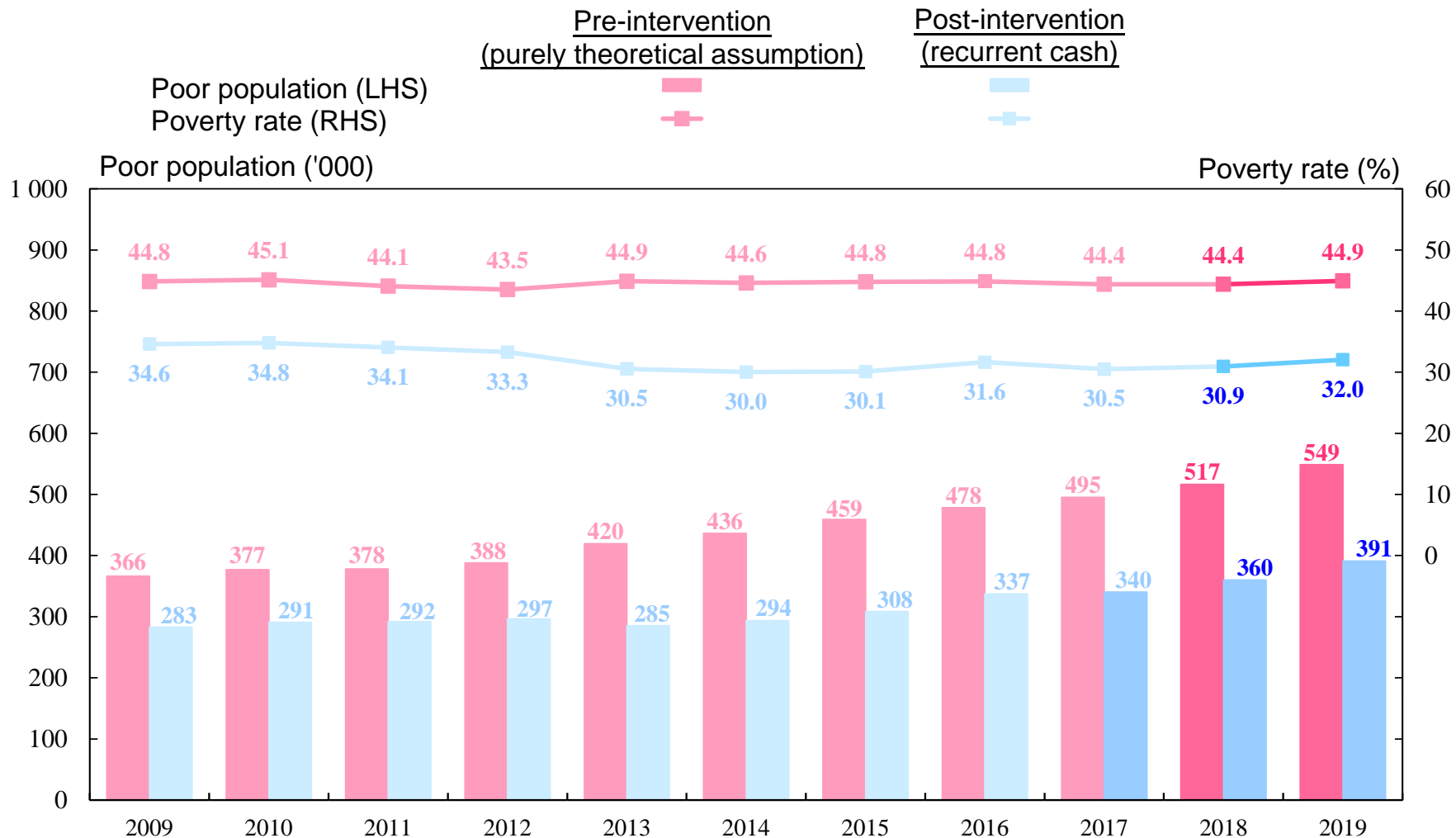

Notes: (*) Refer to children aged below 18 in households receiving the selected recurrent cash benefit(s).
(@) Less than 500 persons.
Source: General Household Survey, Census and Statistics Department.

The number of poor elders and the elderly poverty rate increased further: in tandem with the sustained ageing trend that shows a growing number of retired elders, the income-based poverty indicators of the elderly have continued to face upward pressures. The overall poverty alleviation effectiveness declined slightly amid the fall in the proportion of CSSA elderly recipients

Poor population and poverty rate of the elderly, 2009-2019

Source: General Household Survey, Census and Statistics Department.

The poverty alleviation impact on elders under the poverty line framework was under pressure: although OALA lifted 0.103 million elders out of poverty and reduced the elderly poverty rate by 8.4 percentage points (0.2 percentage point higher than that in 2018), the improvement was offset by the further weakened poverty alleviation effectiveness of CSSA

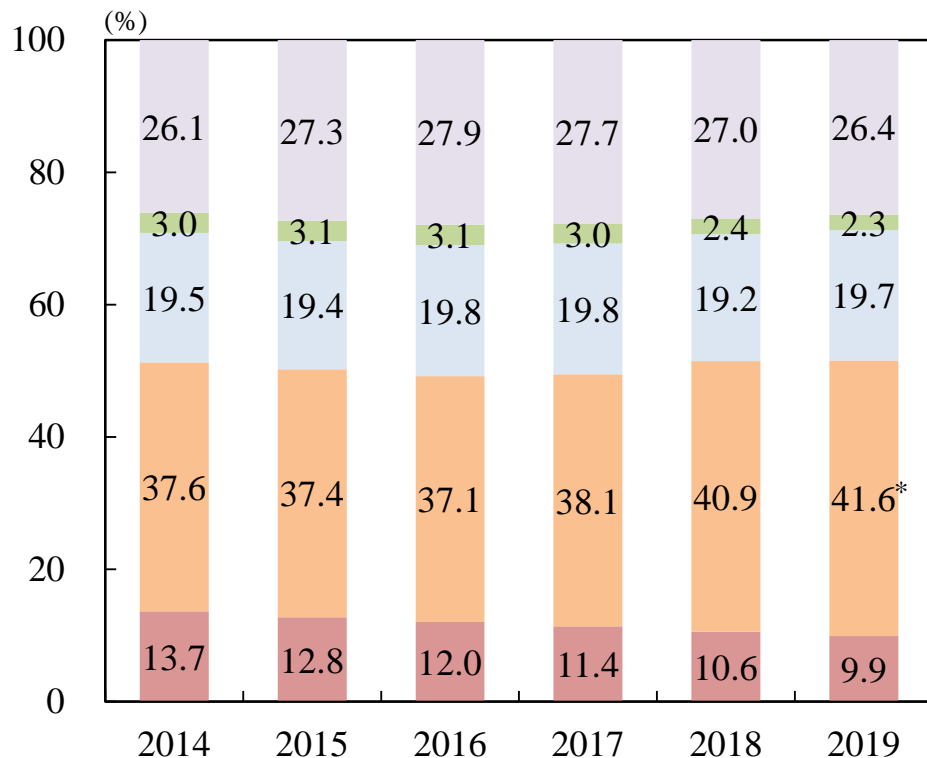### Effectiveness of selected recurrent cash benefits in poverty alleviation on elders*, 2018 and 2019
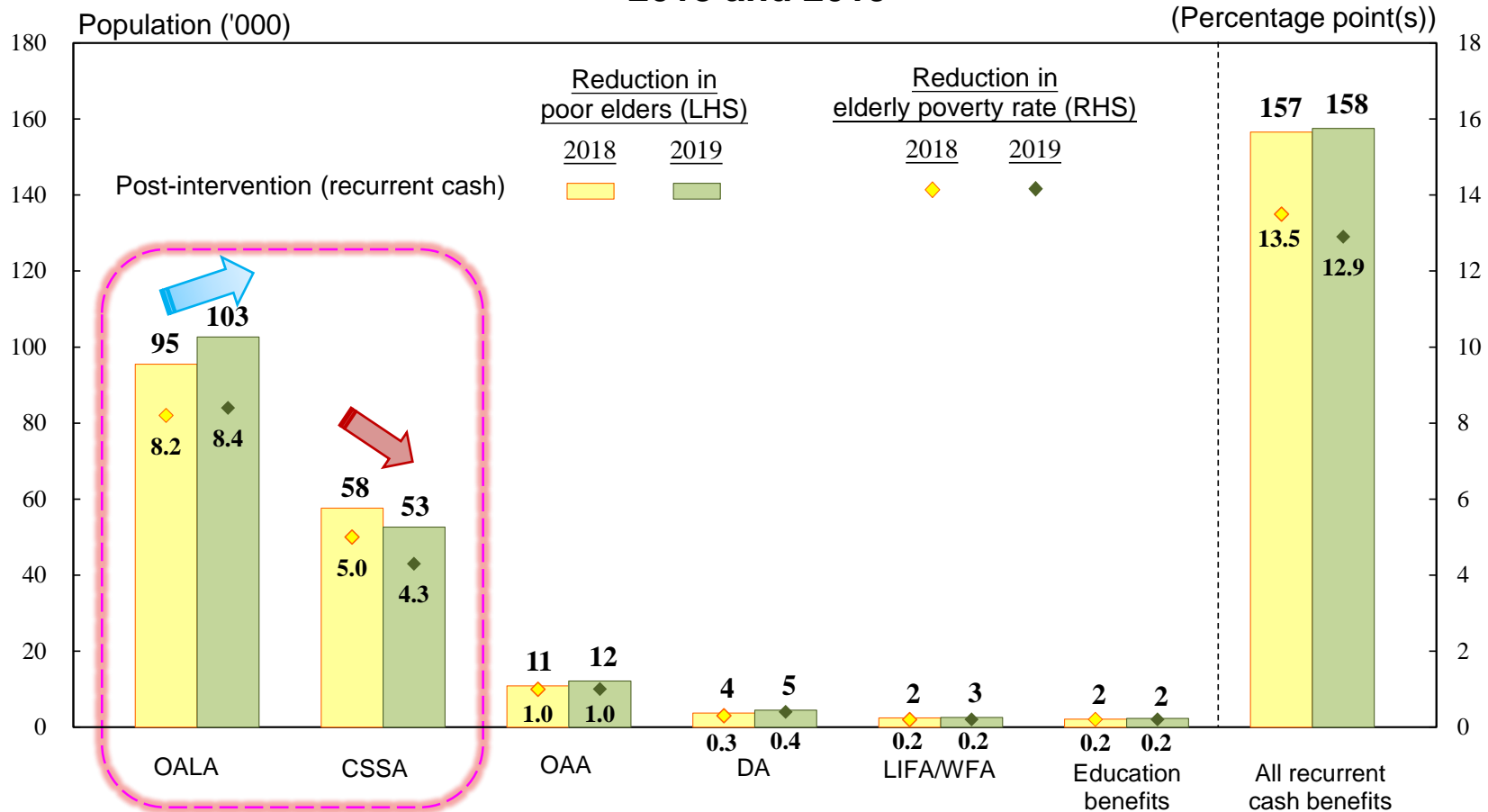
Note: (*) Refer to elders aged 65 and above in households receiving the selected recurrent cash benefit(s).
Source: General Household Survey, Census and Statistics Department.

The proportion of CSSA recipients in both overall elders and pre-intervention (purely theoretical assumption) poor elders continued to fall between 2014 and 2019, while the corresponding proportion of OALA recipients and those without CSSA and SSA went up somewhat over the same period
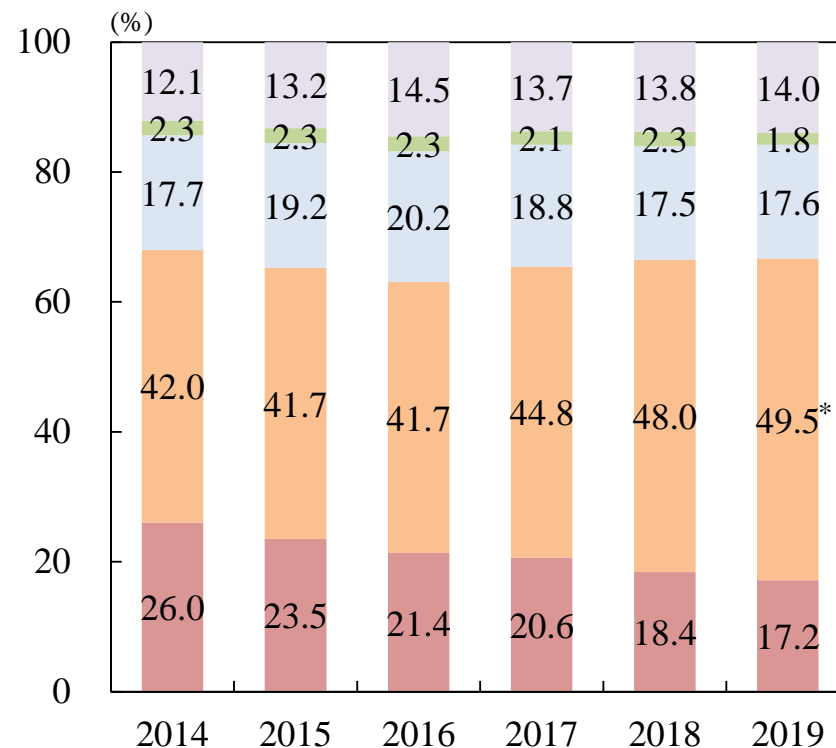
(a) All elders

(b) Pre-intervention (purely theoretical assumption) poor elders

Legend: ■ Without CSSA and SSA ■ DA ■ OAA ■ OALA ■ CSSA

(a) All elders

(%)	2014	2015	2016	2017	2018	2019
Without CSSA and SSA	26.1	27.3	27.9	27.7	27.0	26.4
DA	3.0	3.1	3.1	3.0	2.4	2.3
OAA	19.5	19.4	19.8	19.8	19.2	19.7
OALA	37.6	37.4	37.1	38.1	40.9	41.6*
CSSA	13.7	12.8	12.0	11.4	10.6	9.9

Number of elders ('000)	1 095.7	1 146.3	1 192.7	1 245.8	1 301.6	1 352.1

(b) Pre-intervention (purely theoretical assumption) poor elders

(%)	2014	2015	2016	2017	2018	2019
Without CSSA and SSA	12.1	13.2	14.5	13.7	13.8	14.0
DA	2.3	2.3	2.3	2.1	2.3	1.8
OAA	17.7	19.2	20.2	18.8	17.5	17.6
OALA	42.0	41.7	41.7	44.8	48.0	49.5*
CSSA	26.0	23.5	21.4	20.6	18.4	17.2

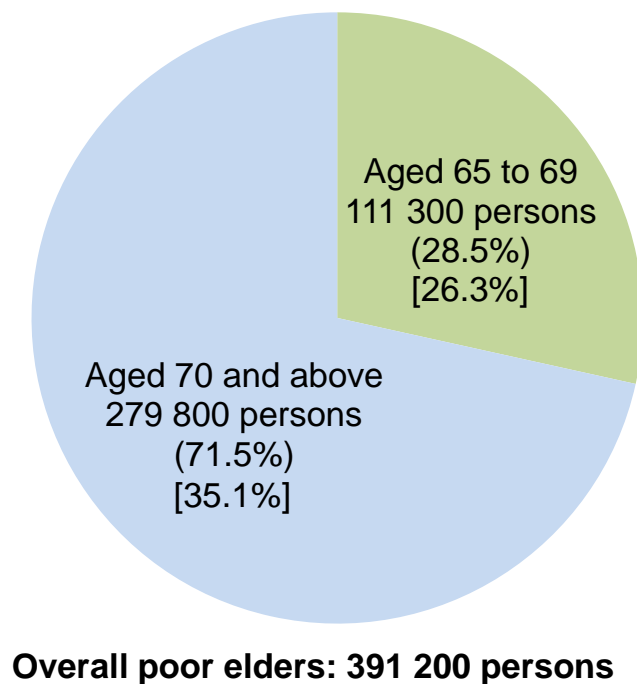| Number of pre-intervention (purely theoretical assumption) poor elders ('000)	436.4	459.0	478.4	495.2	516.6	548.7

Notes: (*) The proportion of overall elders receiving Higher OALA was 38.0%. Population figures refer to resident population. The source of these figures is different from that in Chart (b).
Sources: Social Welfare Department; Demographic Statistics Section, Census and Statistics Department.

Note: (*) Before policy intervention (purely theoretical assumption), the proportion of poor elders receiving Higher OALA was 45.2%.
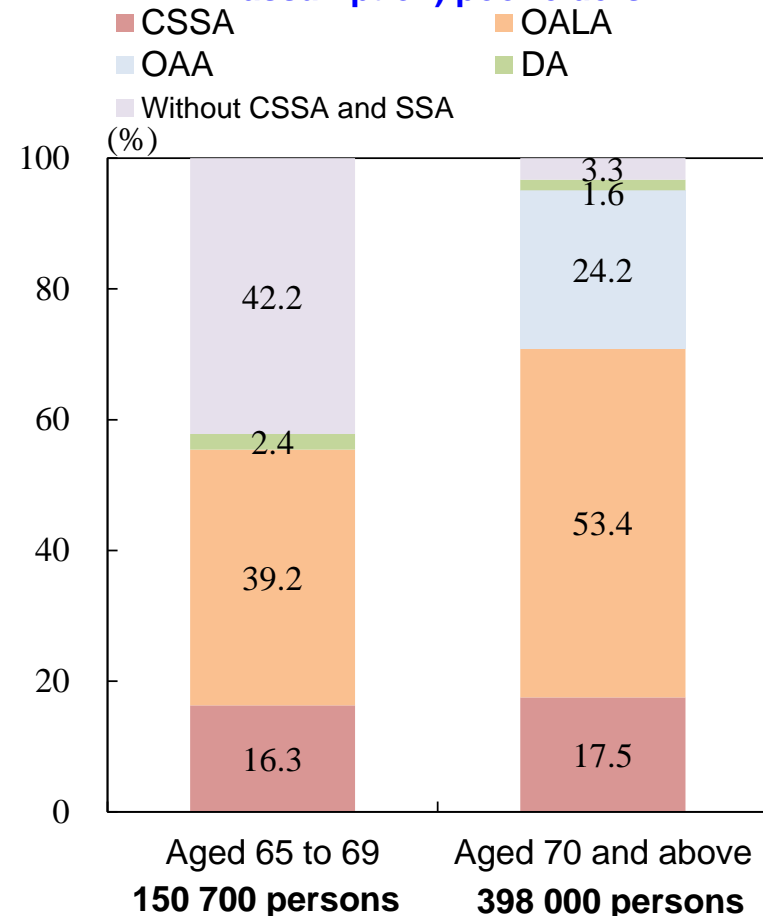Source: General Household Survey, Census and Statistics Department.

Analysed by age, the post-intervention poverty rate of elders aged 65 to 69 was 26.3%, while that for those aged 70 and above was 35.1%. This largely reflected that the latter group had a higher likelihood of being retirees, singletons or only living with other retired elders. Some of them might be more likely to rely on the cash assistance by the Government as their major income source

(a) Post-intervention poor elders

(b) Pre-intervention (purely theoretical assumption) poor elders

Aged 65 to 69
111 300 persons
(28.5%)
[26.3%]

Aged 70 and above
279 800 persons
(71.5%)
[35.1%]

Overall poor elders: 391 200 persons

- CSSA
- OALA
- OAA
- DA
- Without CSSA and SSA

(%)

	Aged 65 to 69	Aged 70 and above
Without CSSA and SSA	42.2	3.3
OAA		24.2
DA	2.4	1.6
OALA	39.2	53.4
CSSA	16.3	17.5

Aged 65 to 69
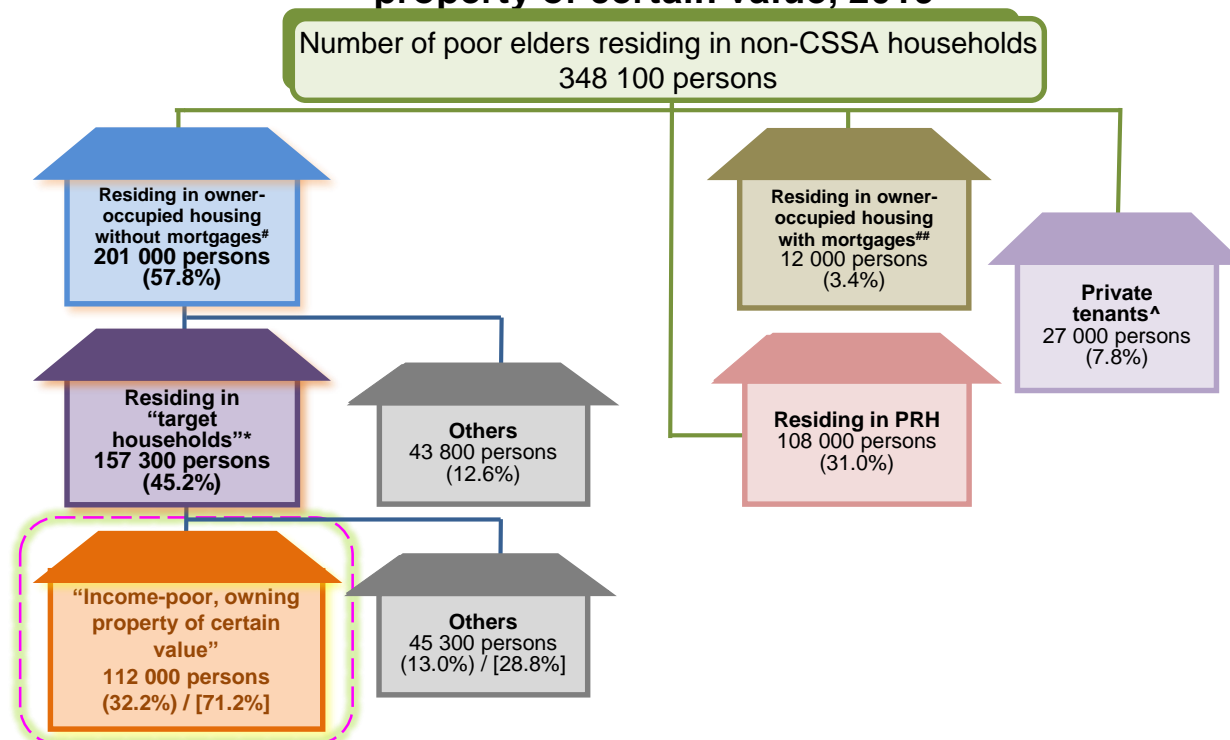**150 700 persons**

Aged 70 and above
398 000 persons

Notes: ( ) Figures in parentheses denote the corresponding proportion to overall poor elders.
  [ ] Figures in square brackets denote the poverty rate.
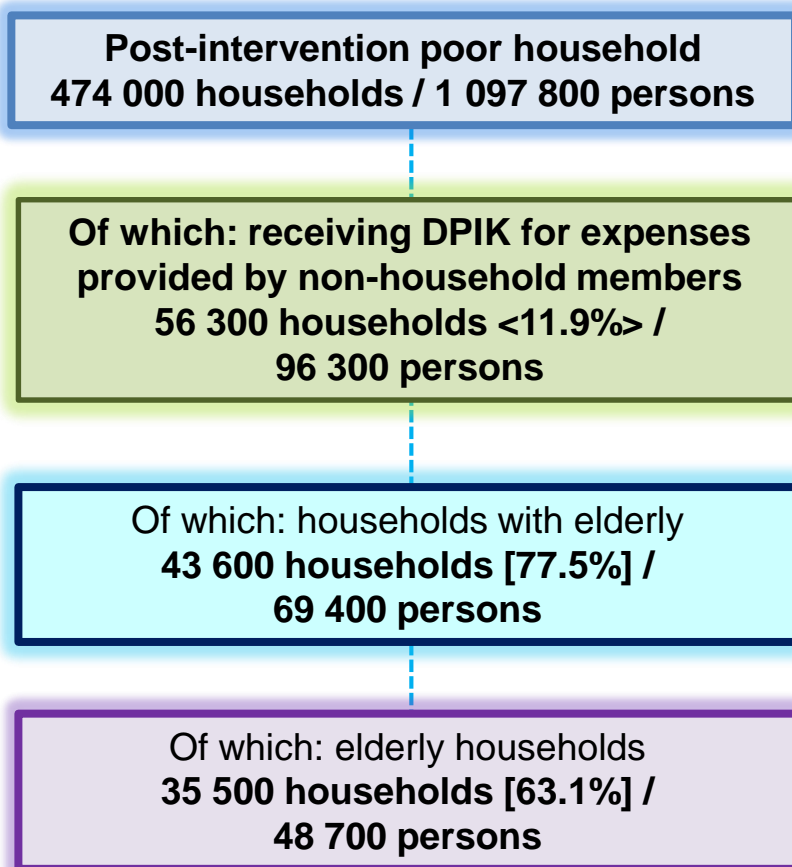Source: General Household Survey, Census and Statistics Department.

Among the poor elders residing in non-CSSA households, about one-third were identified as "income-poor, owning property of certain value" elders, accounting for about three-tenths of the overall poor elderly population

Poor elders residing in non-CSSA households by housing type and whether they owned property of certain value, 2019

Number of poor elders residing in non-CSSA households
348 100 persons

Residing in owner-occupied housing without mortgages#
201 000 persons
(57.8%)

Residing in owner-occupied housing with mortgages##
12 000 persons
(3.4%)

Private tenants^
27 000 persons
(7.8%)

Residing in "target households"*
157 300 persons
(45.2%)

Others
43 800 persons
(12.6%)

Residing in PRH
108 000 persons
(31.0%)

"Income-poor, owning property of certain value"
112 000 persons
(32.2%) / [71.2%]

Others
45 300 persons
(13.0%) / [28.8%]

Notes:
( ) Figures in parentheses denote the proportion of relevant elders among all poor elders residing in non-CSSA households.
[ ] Figures in square brackets denote the proportion of relevant elders among the poor elders residing in "target households".
(#) Including subsidised sale flats and owner-occupied private housing without mortgages.
(##) Including subsidised sale flats and owner-occupied private housing with mortgages.
(^) Including households residing in other types of housing (mainly households residing in rent-free or employer-provided accommodation).
(*) With reference to the eligibility criteria of the Hong Kong Mortgage Corporation Limited's "Reverse Mortgage Programme" (RMP), we focus on elders residing in poor non-CSSA owner-occupier mortgage-free households, and whose members are all aged 55 and above (all members are aged 60 and above if residing in subsidised sale flats with unpaid land premium).
Poverty statistics refer to statistics after recurrent cash policy intervention.

Source: General Household Survey, Census and Statistics Department.

In 2019, about 12% of the post-intervention poor households (about 56 000 households) received direct payment in-kind (DPIK) for expenses from non-household members, most of them being elderly households. After considering DPIK, about 39 000 poor persons (about 27 000 poor elders) had a living standard up to or above the poverty line

**Post-intervention poor household
474 000 households / 1 097 800 persons**

**Of which: receiving DPIK for expenses provided by non-household members
56 300 households <11.9%> /
96 300 persons**

Of which: households with elderly
**43 600 households [77.5%] /
69 400 persons**

Of which: elderly households
**35 500 households [63.1%] /
48 700 persons**

- The average monthly amount of DPIK received by poor elderly households was $3,600, with about a quarter of these households receiving DPIK equivalent to over $4,600 per month

- The more common types of DPIK were direct payment for water, electricity and gas bills (68%), telephone bill (65%), and rates and government rent (54%)

- Nearly three-tenths of these DPIK-receiving poor elderly households received direct payment for salaries of Foreign Domestic Helpers (FDHs) averaging up to $4,900 per month, among whom almost seven-tenths were singleton elderly households

- Over a quarter of poor elderly households receiving DPIK were PRH or private housing tenants, among whom almost eight-tenths received direct payment for rent: PRH tenants: $1,800; private tenants: $14,500

Notes: < >   Figure in arrow bracket denotes the proportion of relevant households among all poor households.
            [ ]   Figures in square brackets denote the proportion of relevant households among all poor households receiving DPIK.
                    Poverty statistics refer to statistics after recurrent cash policy intervention.
Source: General Household Survey, Census and Statistics Department.
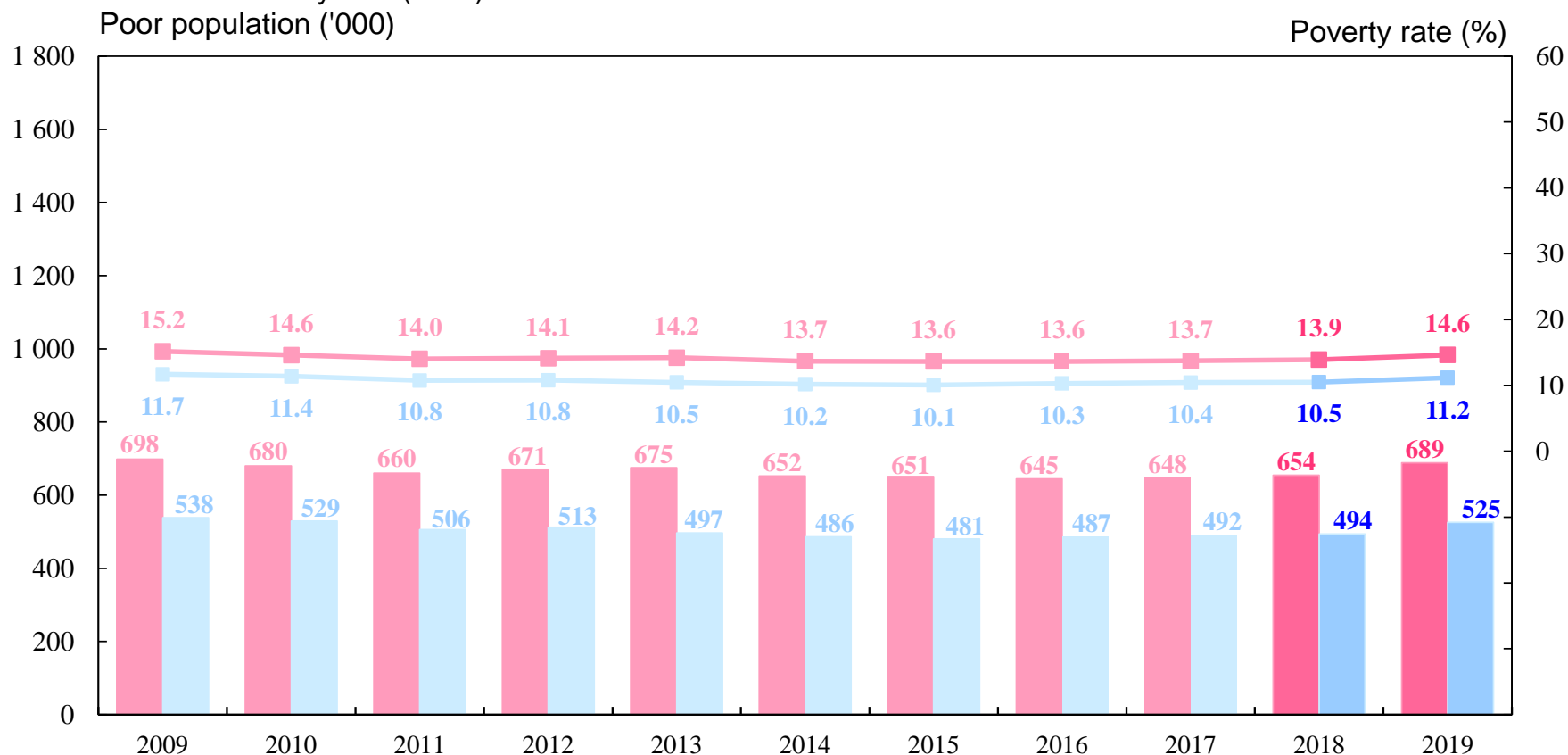
In 2019, the post-intervention poverty rate of persons aged 18 to 64 rose markedly by 0.7 percentage point to 11.2%, broadly the same as the increase in the overall poverty rate

Poor population and poverty rate of persons aged 18 to 64, 2009-2019
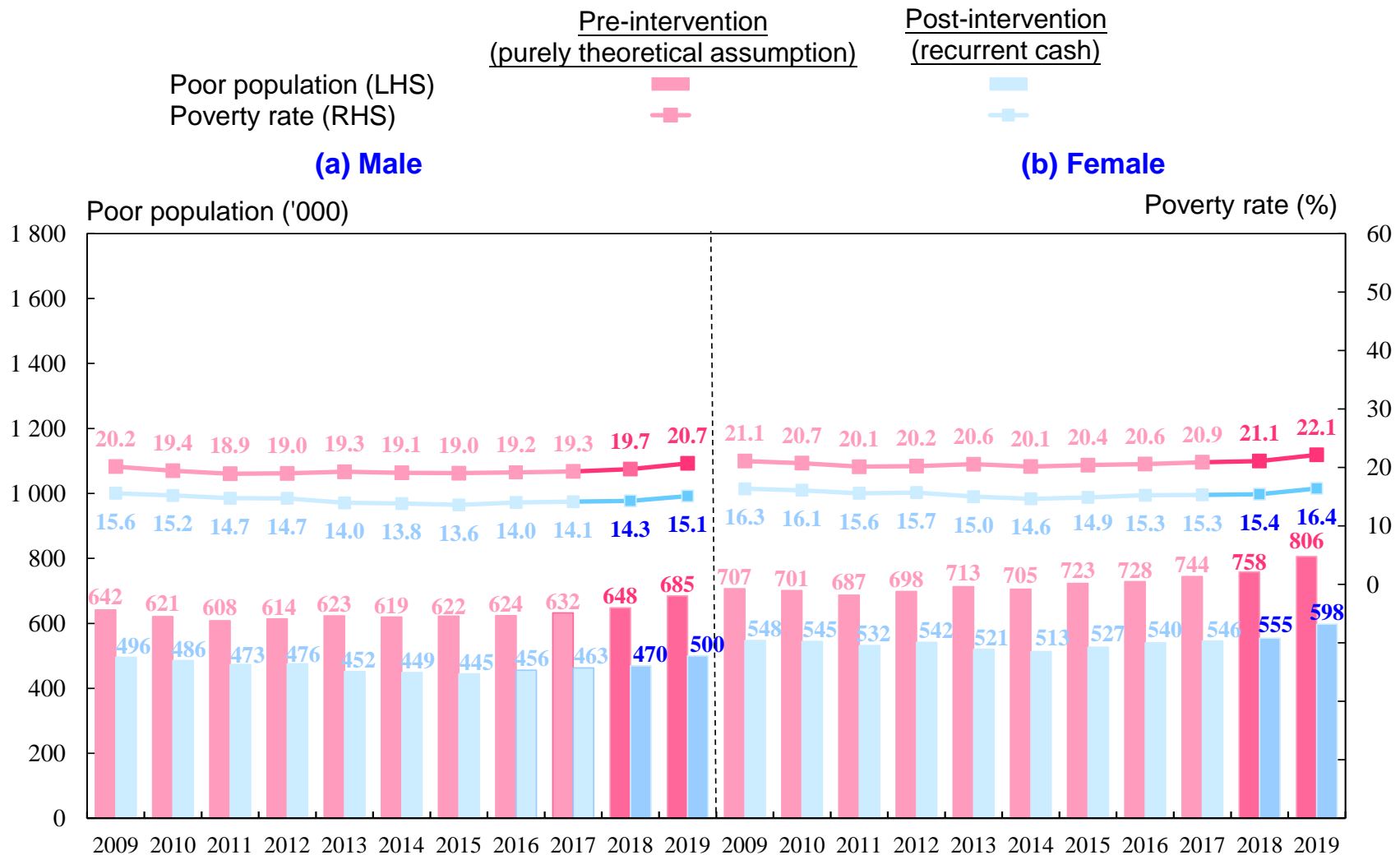
Source: General Household Survey, Census and Statistics Department.

In 2019, the post-intervention poverty rates of males and females saw visible rises: they rose by 0.8 percentage point and 1.0 percentage point to 15.1% and 16.4% respectively
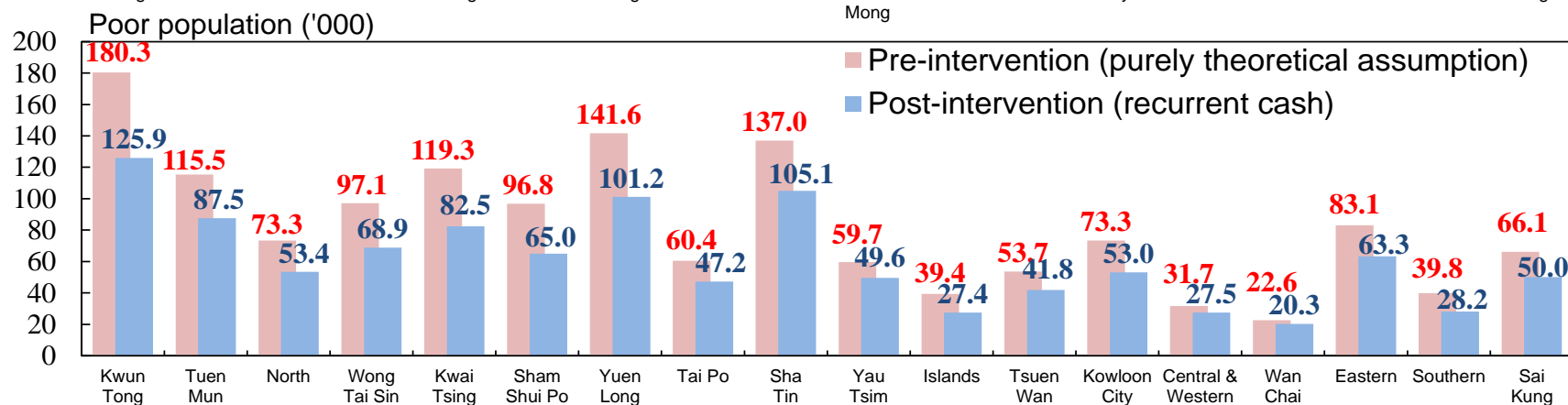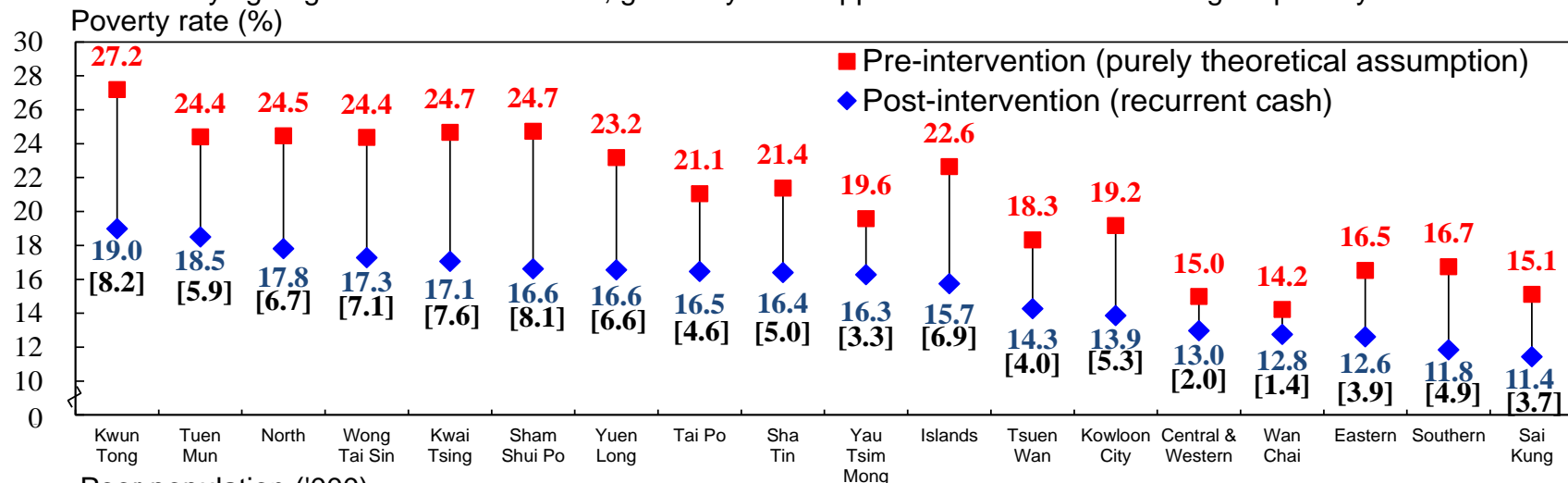

Poor population and poverty rate by gender, 2009-2019

Source: General Household Survey, Census and Statistics Department.

Poor population and poverty rate in 2019, by District Council district

- The five districts with the highest poverty rates were Kwun Tong, Tuen Mun, North District, Wong Tai Sin and Kwai Tsing. In general, many districts experienced deterioration in their poverty situation, including some districts where the poverty situation was relatively less notable in the past (e.g. Sha Tin and Tai Po). However, after policy intervention, the poverty situation saw improvements of varying degree across all districts, generally more appreciable in districts with higher poverty rates.

Poverty rate (%)

Pre-intervention (purely theoretical assumption)
Post-intervention (recurrent cash)

District	Pre-intervention	Post-intervention	[reduction]
Kwun Tong	27.2	19.0	[8.2]
Tuen Mun	24.4	18.5	[5.9]
North	24.5	17.8	[6.7]
Wong Tai Sin	24.4	17.3	[7.1]
Kwai Tsing	24.7	17.1	[7.6]
Sham Shui Po	24.7	16.6	[8.1]
Yuen Long	23.2	16.6	[6.6]
Tai Po	21.1	16.5	[4.6]
Sha Tin	21.4	16.4	[5.0]
Yau Tsim Mong	19.6	16.3	[3.3]
Islands	22.6	15.7	[6.9]
Tsuen Wan	18.3	14.3	[4.0]
Kowloon City	19.2	13.9	[5.3]
Central & Western	15.0	13.0	[2.0]
Wan Chai	14.2	12.8	[1.4]
Eastern	16.5	12.6	[3.9]
Southern	16.7	11.8	[4.9]
Sai Kung	15.1	11.4	[3.7]

Poor population ('000)

Pre-intervention (purely theoretical assumption)
Post-intervention (recurrent cash)

District	Pre-intervention	Post-intervention	No. of households Pre	No. of households Post
Kwun Tong	180.3	125.9	75.2	49.9
Tuen Mun	115.5	87.5	49.6	37.3
North	73.3	53.4	30.3	22.3
Wong Tai Sin	97.1	68.9	41.4	28.8
Kwai Tsing	119.3	82.5	50.4	33.4
Sham Shui Po	96.8	65.0	42.5	27.5
Yuen Long	141.6	101.2	59.9	43.7
Tai Po	60.4	47.2	25.2	19.7
Sha Tin	137.0	105.1	58.4	43.7
Yau Tsim Mong	59.7	49.6	27.8	23.5
Islands	39.4	27.4	17.6	12.6
Tsuen Wan	53.7	41.8	24.3	18.4
Kowloon City	73.3	53.0	32.5	23.6
Central & Western	31.7	27.5	15.8	14.1
Wan Chai	22.6	20.3	11.6	10.4
Eastern	83.1	63.3	38.5	30.1
Southern	39.8	28.2	17.8	12.8
Sai Kung	66.1	50.0	29.7	22.2

Note: [ ] Figures in square brackets refer to the percentage point(s) reductions in the poverty rates.
Source: General Household Survey, Census and Statistics Department.