

Briefing on the results of the 2011 Annual Earnings and Hours Survey



Census and Statistics Department

22.3.2012



Objectives of the Survey

To provide the following data:

- Distribution of wages and working hours of employees in Hong Kong
- Employment and demographic characteristics of employees

Survey methodology

(i) Coverage :

Industry : All industries (except agriculture, forestry and fishing), covering business undertakings of all employment sizes.

Employees : All employees under the coverage of Minimum Wage Ordinance (MWO) (i.e. employees in the Government, as well as student interns, work experience students and live-in domestic workers exempted by the MWO are excluded).



Survey methodology

(ii) Reference period : May – June 2011

- To reflect the wage distribution of employees after the implementation of the statutory minimum wage.
- Reference period for previous survey round was second quarter of 2010.

(iii) Sample size : about 10 000 business undertakings
about 60 000 employees



Survey methodology

(iv) Definition of wages:

- Follows the definition of wages in the Employment Ordinance.
- Includes the following items:
 - Basic wage;
 - Commission and tips not of gratuitous nature;
 - Guaranteed bonuses and allowances other than guaranteed year-end bonus/payment;
 - Overtime allowance.



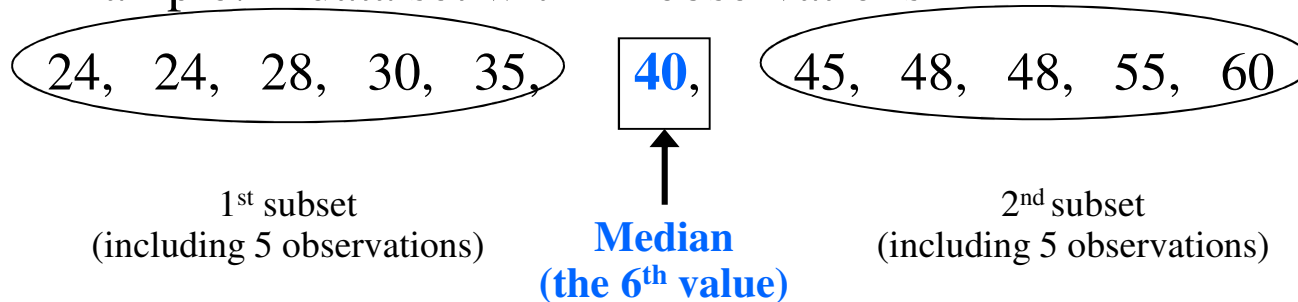
Survey methodology

(v) Definition of working hours:

- Follows the definition of hours worked in the Minimum Wage Ordinance.
- Includes
 - Contractual / agreed working hours (including meal breaks which are regarded as working hours according to the employment contract or agreement with the employer);
 - Overtime hours worked at the direction of employer.

Definitions of median, quartiles and percentiles

- Arrange observations in a data set from the smallest to the largest value.
- The value in the middle of this ordered data set, i.e. the value that divides the data set into 2 equal-sized subsets (in terms of number of observations) is the **median**.
- Example: A data set with 11 observations



Definitions of median, quartiles and percentiles


- First Quartile
 - the value that delineates the lowest 25% of observations
 - also known as the Lower Quartile
- Second Quartile
 - the value that delineates the lowest 50% of observations
 - equals to the Median
- Third Quartile
 - the value that delineates the lowest 75% of observations
 - also known as the Upper Quartile

Definitions of median, quartiles and percentiles

- **Percentiles** are the 99 values that divide an ordered data set into 100 equal-sized subsets.

10 th Percentile	■ the value that delineates the lowest 10% of observations
25 th Percentile	■ equals to the Lower Quartile
50 th Percentile	■ equals to the Median
75 th Percentile	■ equals to the Upper Quartile

Monthly wage distribution



Percentile	May-June 2011 (HK\$) [i]	April-June 2010 (HK\$) [ii]	% change [i] vs [ii]
10 th	6,900	5,900	+17.7
25 th	9,000	8,000	+12.5
50 th (median)	12,800	11,800	+8.5
75 th	20,000	18,000	+11.1
90 th	34,400	30,000	+14.5

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

Changes in monthly wages reflect changes in take-home pay.

Notable improvement in monthly wages in 2011 was observed for employees across the board. Wage increase for the low-paid employees was highest, reflecting the effect of the statutory minimum wage on these employees.

Median monthly wage by sex

Sex	May-June 2011 (HK\$) [i]	April-June 2010 (HK\$) [ii]	% change [i] vs [ii]
Male	14,200	13,000	+9.2
Female	11,000	10,200	+7.8

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

Median wage of male employees was higher than that of female employees partly attributable to the fact that the proportion male employees who had completed education at Secondary 6 or above level was higher than the corresponding proportion of female employees. Also, female employees, on average, worked less hours than male employees.

Median monthly wage by age group

Age group	May-June 2011 (HK\$) [i]	April-June 2010 (HK\$) [ii]	% change [i] vs [ii]
15-24	9,000	8,000	+12.5
25-34	13,100	12,400	+6.0
35-44	15,000	14,000	+7.1
45-54	12,700	11,800	+7.7
≥55	11,000	9,000	+22.2

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

The increase in median monthly wage for employees aged 55 or over was highest as a relatively large proportion of them were engaged in elementary occupations on which the statutory minimum wage has a more significant impact.

Median monthly wage by educational attainment

Educational attainment	May-June 2011 (HK\$) [i]	April-June 2010 (HK\$) [ii]	% change [i] vs [ii]
Primary and below	8,700	7,300	+20.1
Secondary 1 to 3	10,000	9,000	+11.1
Secondary 4 to 5	11,700	10,900	+7.2
Secondary 6 and above	20,000	18,700	+7.2

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

The increase in median monthly wage for employees with primary educational level or below was highest as a relatively large proportion of them were engaged in elementary occupations on which the statutory minimum wage has a more significant impact.

Median monthly wage by occupational group

Occupational group	May-June 2011 (HK\$) [i]	April-June 2010 (HK\$) [ii]	% change [i] vs [ii]
Elementary occupations	8,400	7,000	+19.3
Service workers and shop sales workers	9,400	8,500	+10.7
Craft and related workers, plant and machine operators and assemblers	13,200	12,400	+6.5
Clerks	10,700	10,000	+6.9
Managers and administrators, professionals and associate professionals	21,300	20,000	+6.6

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

Wage increases for lower-skilled occupations were larger than the overall wage increase.

Median monthly wage for selected industries

Industry	May-June 2011 (HK\$) [i]	Q2 2010 (HK\$) [ii]	% change [i] vs [ii]
Retail	9,900	8,900	+10.2
Restaurants	9,000	8,000	+12.5
Estate management, security and cleaning services	8,700	7,000	+24.8
Miscellaneous activities	8,700	7,500	+16.9
Other sectors	15,000	13,700	+9.5
Import and export trade	14,500	13,000	+11.5
Financing and insurance	21,700	19,100	+13.7
Professional, scientific and technical activities	17,600	16,300	+8.2

Note: Figures are rounded to the nearest hundred dollars. The % changes are calculated using unrounded figures.

Wage increases were observed across the board for all sectors, particularly the low-paying sectors.

Hourly wage distribution

Percentile	May-June 2011 Hourly wage (HK\$) *
5 th	28.0
10 th	29.3
25 th	36.0
50 th (median)	52.4
75 th	82.5
90 th	143.9

* New calculation method by taking into account the definitions of hours worked and wages payable under the Minimum Wage Ordinance:

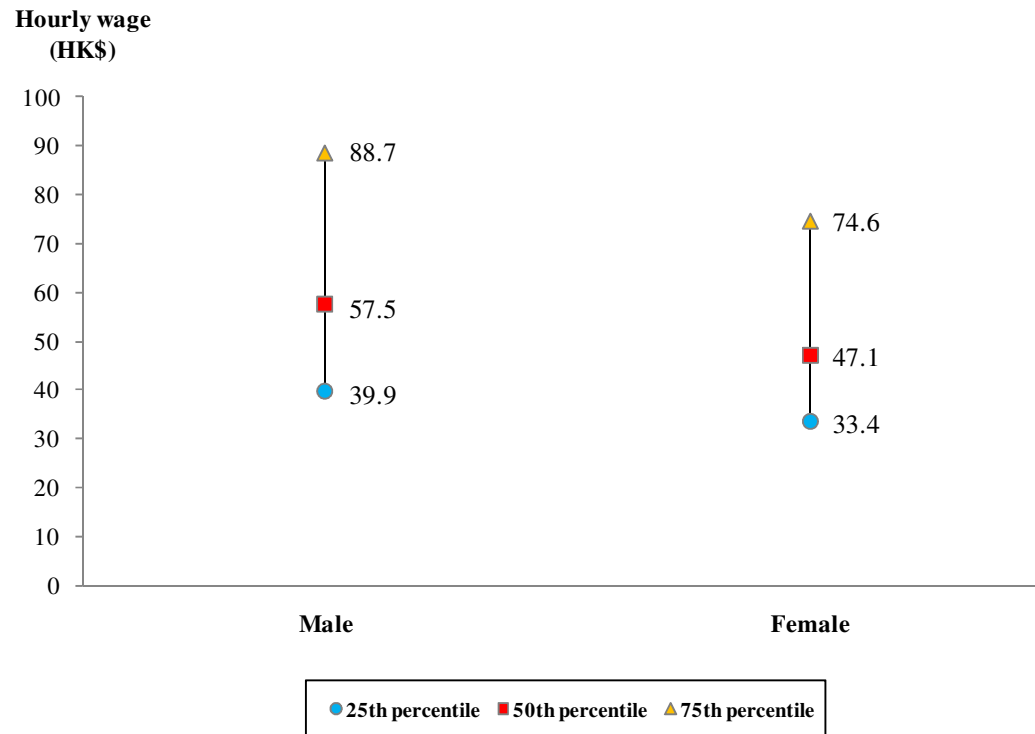
$$\text{Hourly wage} = \frac{\text{Total wage} - \text{Payment for rest days} - \text{Payment for meal breaks not regarded as hours worked}}{\text{Total working hours in the wage period}^{##}}$$

Including meal breaks which are regarded as working hours according to the employment contract or agreement with the employer.

Hourly wage distribution

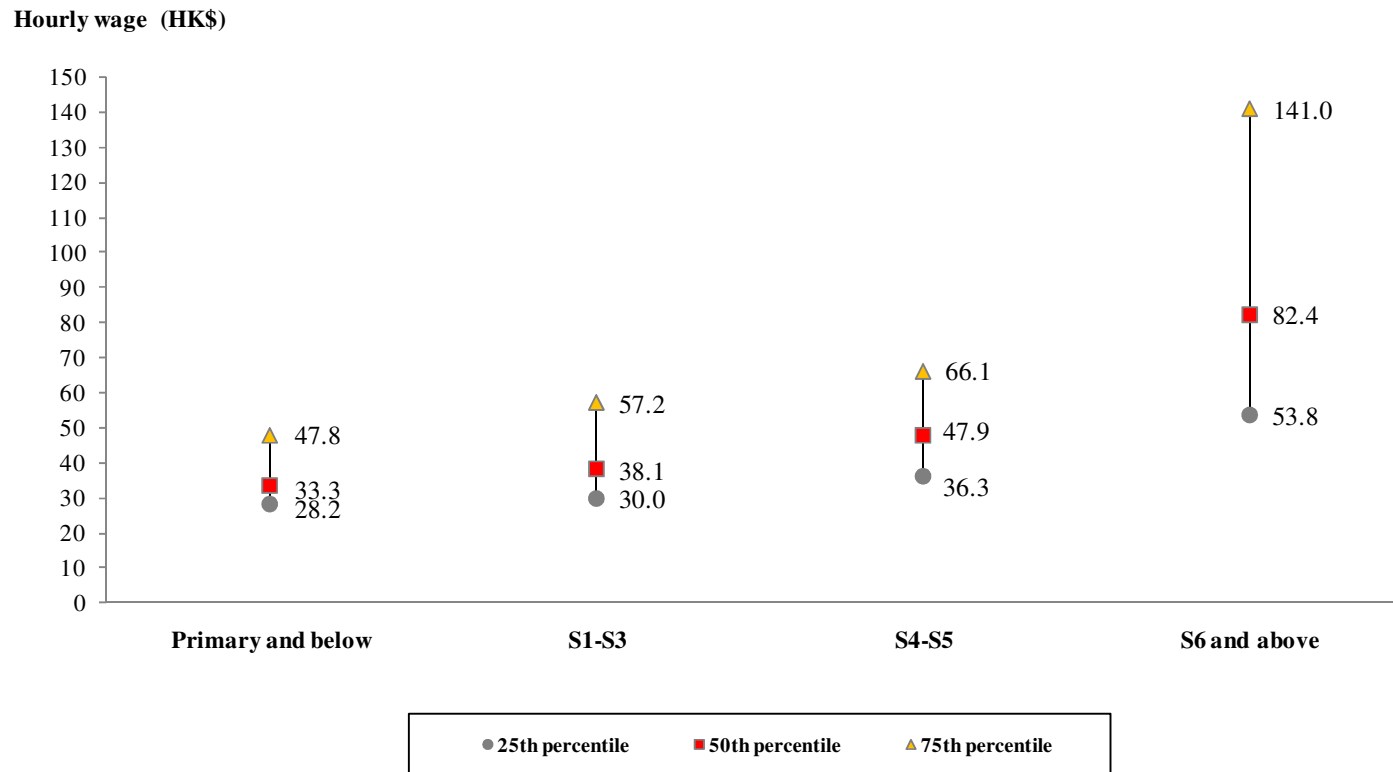
May-June 2011 Hourly wage	No. of employees involved	As % of total no. of employees
\$28	180 600	6.4%
Less than \$29	250 500	8.9%
Less than \$30	327 200	11.7%
Less than \$31	404 300	14.4%
Less than \$32	462 400	16.5%
Less than \$33	518 000	18.5%
Less than \$34	581 300	20.7%
Less than \$35	643 800	22.9%
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%

Hourly wage distribution – by sex



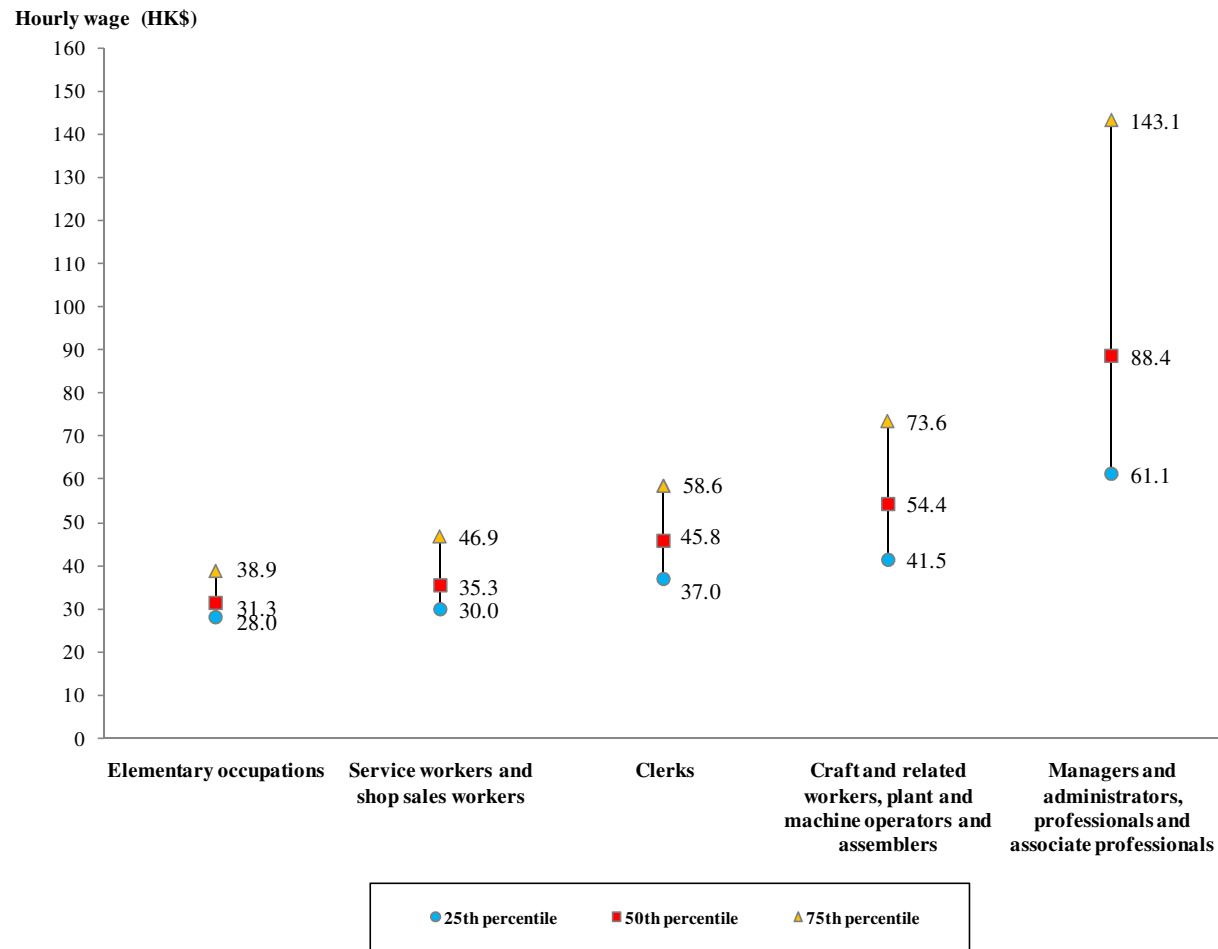
Similar to last round, median hourly wage of male employees was 20% higher than that of female.

Hourly wage distribution – by educational attainment

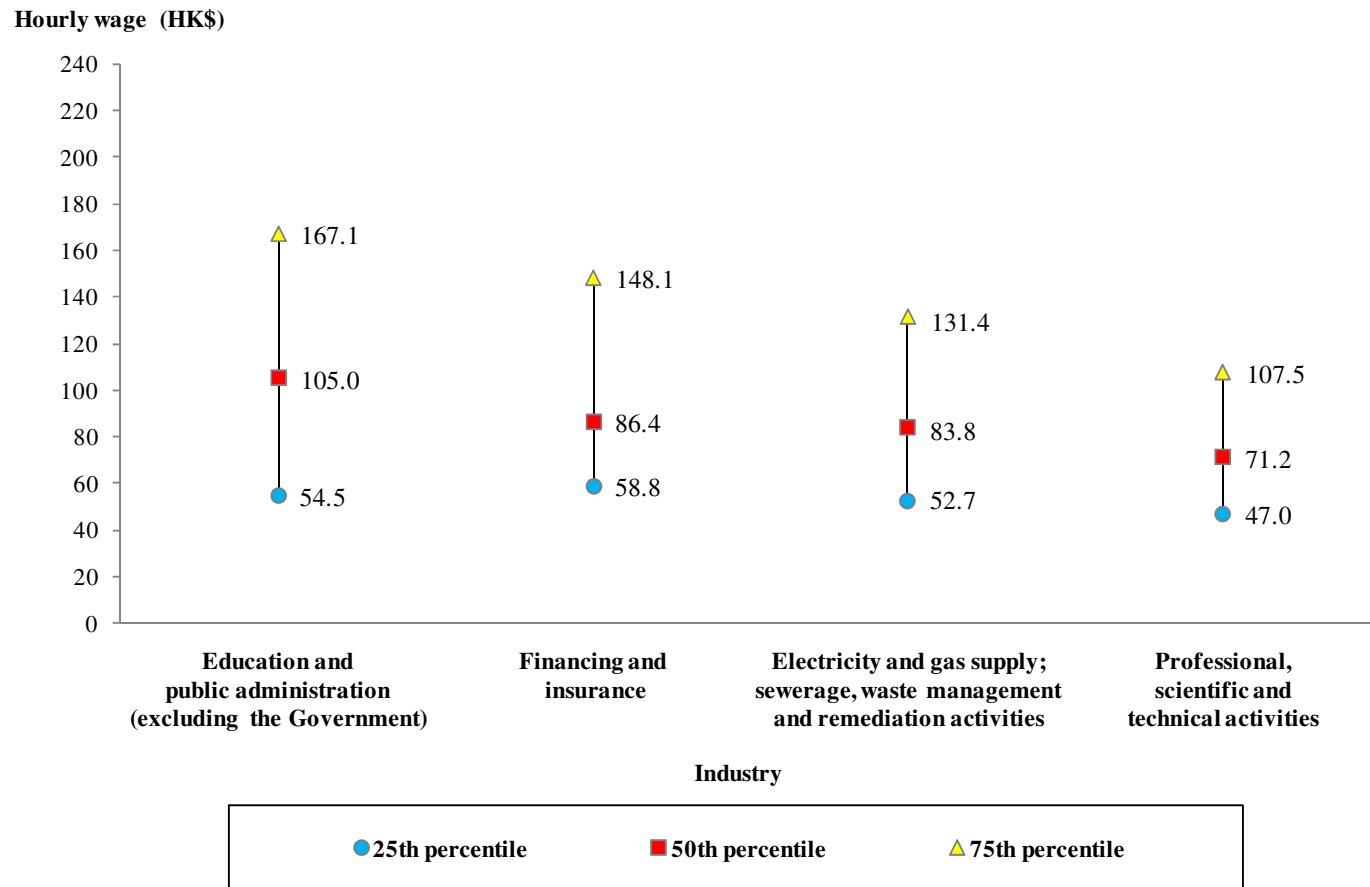


Median hourly wage of employees increased with education level.

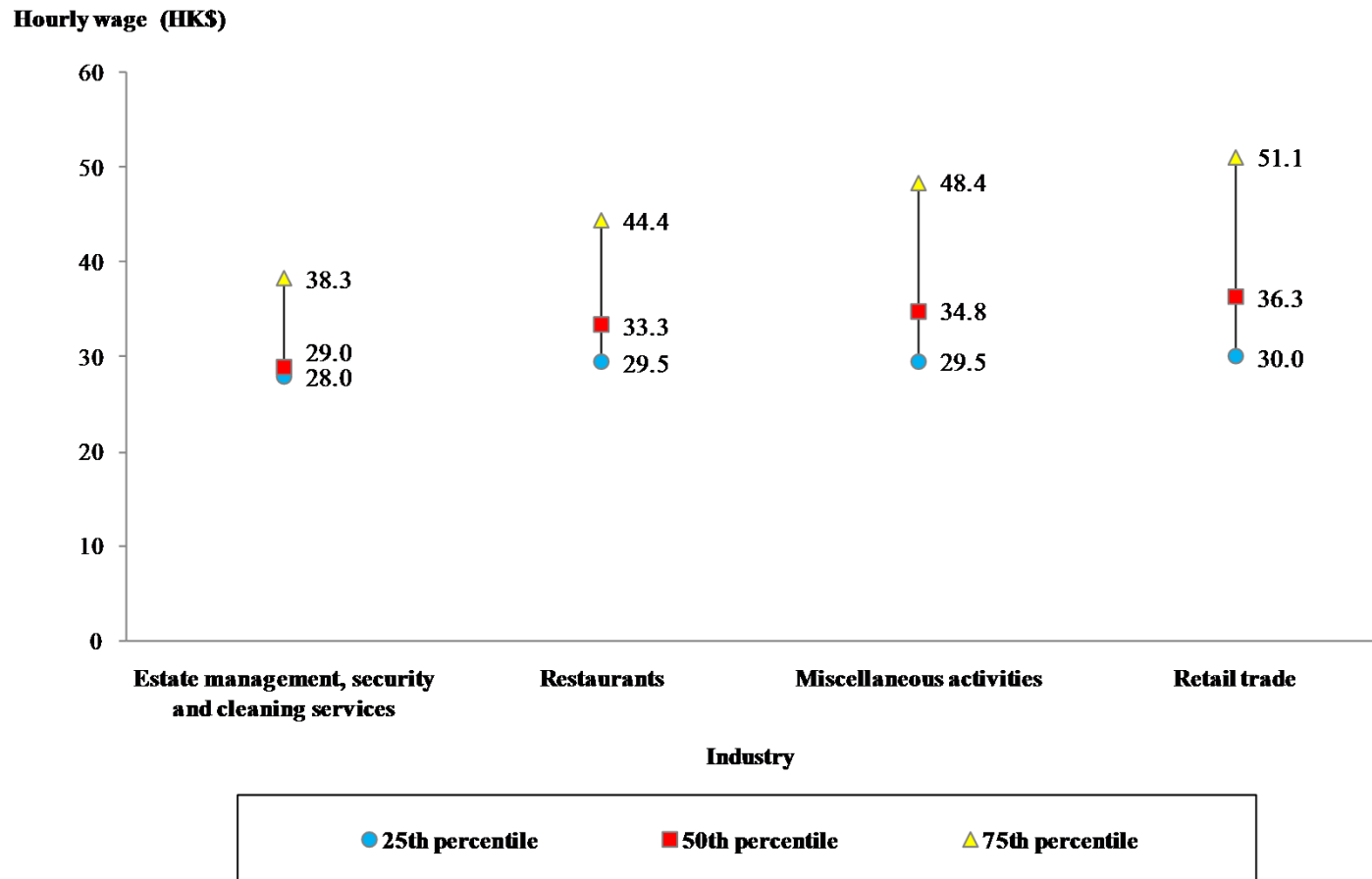
Hourly wage distribution – by occupational group



The four industries with the highest median hourly wage



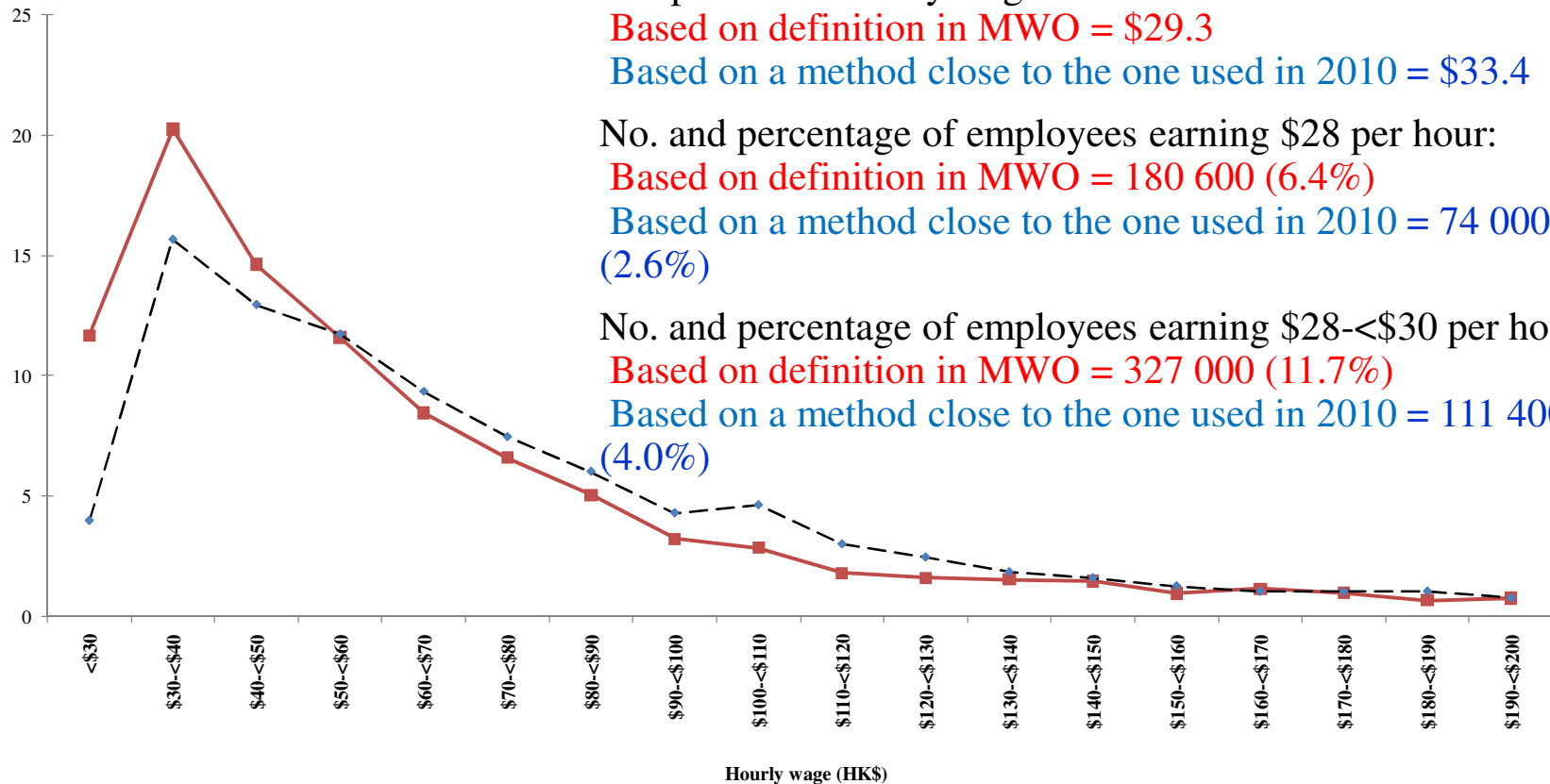
The four industries with the lowest median hourly wage



2011 hourly wages based on a method close to the one used in 2010

Percentage of employees by hourly wage (only covering employees with hourly wage less than \$200)

Percentage (%)



10th percentile hourly wage:

Based on definition in MWO = \$29.3

Based on a method close to the one used in 2010 = \$33.4

No. and percentage of employees earning \$28 per hour:

Based on definition in MWO = 180 600 (6.4%)

Based on a method close to the one used in 2010 = 74 000 (2.6%)

No. and percentage of employees earning \$28-<\$30 per hour:

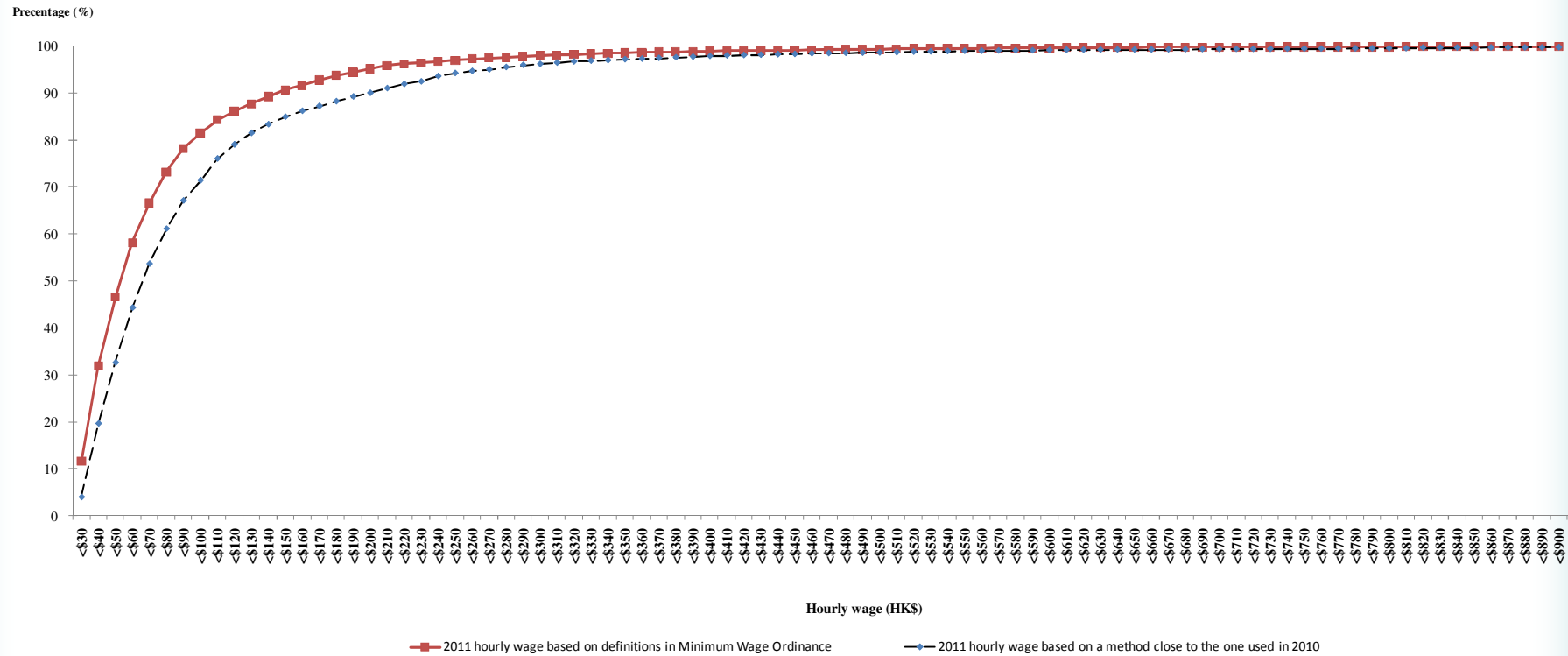
Based on definition in MWO = 327 000 (11.7%)

Based on a method close to the one used in 2010 = 111 400 (4.0%)


—■— 2011 hourly wage based on definitions in Minimum Wage Ordinance —◆— 2011 hourly wage based on a method close to the one used in 2010

2011 hourly wages based on a method close to the one used in 2010

Cumulative percentage of employees by hourly wage, 2011



2011 hourly wages based on a method close to the one used in 2010



Percentile	Hourly wage (HK\$)	
	May-June 2011 *	April-June 2010
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

* Based on a method close to the one used in 2010.

Increases in hourly wage were generally observed at various percentiles of wage levels, with more significant percentage increases for employees earning lower hourly wages.

Despite the change in calculation method of hourly wage in 2011, there is no change to the definition of monthly wage, which refer to the total monthly wage paid to an employee. Hence, direct comparison of monthly wage figures is not affected.



Thank you