

## LCQ15: Median monthly salary of young people

Following is a question by the Hon Luk Chung-hung and a written reply by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, in the Legislative Council today (July 4):

Question:

According to the consultation document on population policy released by the Steering Committee on Population Policy in 2013, the median monthly salary of young people aged between 20 and 29 in full-time employment basically hovered around \$10,000 in the past decade. As the cumulative inflation rate during the same period was more than 10 per cent, the monthly salaries of young people in the past decade dropped in real terms. Some young people have become discouraged by the lack of opportunities for upward mobility. In this connection, will the Government inform this Council:

(1) of the respective annual averages of the (a) nominal and (b) real median monthly salaries of persons in full-time employment in various age groups (i.e. below 20, 20 to 29, 30 to 39, 40 to 49, 50 to 59, 60 to 69, and 70 or above) in each year from 2013 to 2017; and

(2) of the measures taken by the authorities in the past five years to improve the overall employment environment so as to enable young people to earn higher income, thereby increasing upward mobility opportunities for them?

Reply:

President,

Young people are Hong Kong's future. The current-term Government strives to do our best in youth development work by addressing their concerns about education, career pursuit and home ownership, and encouraging their participation in politics as well as public policy discussion and debate. In doing so, the Government aims at creating opportunities for upward mobility for young people and support them in fully realising their potential, thereby allowing the younger generation to see hope in future.

Our reply to the Hon Luk Chung-hung's question is as follows:

(1) Based on the data from the General Household Survey conducted by the Census and Statistics Department, the median monthly employment earnings of full-time employees by age (excluding foreign domestic helpers) in 2013 – 2017 in (a) nominal term; and (b) real term (i.e. at the 2017 price level) are shown in Annex. The figures show that the median monthly employment earnings of full-time employees across all age groups had risen notably over

the period.

(2) The Government attaches great importance to the career development of young people as well as creating ample opportunities for their upward mobility and greater room for their development. To achieve this objective, the Government has to maintain the competitiveness of the Hong Kong economy. In addition to consolidating pillar industries, the Government also explores new economic opportunities to enrich the local industry structure with a view to creating more high-quality employment opportunities and opening up more career choices for young people. In this connection, the Government is committed to developing a high value-added and diversified economy as well as facilitating the development of emerging industries. In particular, the Government has made significant efforts to promote the development of three major high value-added industries, namely innovation and technology, creative industries and finance, with a view to creating new impetus and growth areas for our economy.

In fact, following Hong Kong's sustained economic development, the wages of young graduates have substantially increased in recent years. As shown from the results of the 2015 Study on Earnings Mobility carried out by the former Economic Analysis and Business Facilitation Unit (now renamed as Office of the Government Economist) in collaboration with the Census and Statistics Department published in May 2016, notable upward earnings mobility was enjoyed by first degree graduates from the 2001/02 and 2006/07 cohorts. Specifically, for the 2001/02 cohort, based on the median figures, first degree graduates could rise by eight income categories within ten years (where each income category covers 1/20 of the overall income distribution). Also, graduates' upward earning mobility was closely related to the manpower demand brought by economic development. There was higher upward mobility amongst science and engineering graduates between 2003/04 and 2013/14, reflecting the growth of the related industries. The Government is currently preparing the results of the 2018 Study, so as to continue the monitoring of earnings mobility on an ongoing basis and explore measures conducive to youth upward mobility.

To help the younger generation seize development opportunities, the Government has continuously enhanced their access to high-quality education and training. In doing so, young people will be equipped with skills demanded by the market in order to unleash their potential in their future career. In this connection, the Government has introduced a series of measures, including:

(i) In terms of primary and secondary education, the Education Bureau (EDB) continuously renews the school curriculum to keep abreast of the latest development as well as focus on current and emerging development priorities. With a view to preparing students to succeed in a knowledge-based, technologically advanced, and increasing globalised world, the school curriculum focuses on promoting STEM (science, technology, engineering, and mathematics) education as well as fostering students' entrepreneurial spirit. At the same time, the Government is committed to providing students with diversified life-wide learning experiences, including those for

vocational and professional education and training (VPET). In this regard, the Vocational Training Council (VTC) has established the STEM Education Centre and arranged STEM-related outreach for primary and secondary schools.

(ii) With regard to higher education, the Government has also implemented a series of measures to further increase subsidised post-secondary education opportunities, and is committed to promoting VPET, in a bid to provide school leavers with broader and more diversified articulation pathways and help young people grasp the opportunities for promotion in the workplace. The Government has been progressively increasing the number of University Grants Committee-funded senior year undergraduate intake places, so that 5 000 meritorious sub-degree graduates will be able to articulate to subsidised degree programmes each year by the 2018/19 academic year. In addition, the Government also implemented the Non-means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong (NMTSS) from the 2017/18 academic year. NMTSS provides an annual subsidy of about \$30,000 to eligible students pursuing about 300 eligible self-financing undergraduate (including top-up degree) programmes. In the 2017/18 academic year, about 20 000 students benefited under NMTSS.

(iii) To encourage the self-financing post-secondary education sector to offer programmes in disciplines that meet Hong Kong's economic and social needs and nurture young people to join related disciplines, EDB has implemented the Study Subsidy Scheme for Designated Professions/Sectors (SSSDP) from the 2015/16 academic year to subsidise about 1 000 students per cohort to pursue designated self-financing undergraduate programmes. SSSDP will be regularised from the 2018/19 academic year with an increase in the number of subsidised places to about 3 000 per cohort. The designated disciplines for the 2018/19 academic year include testing and certification, creative industries, computer science and financial technology, etc.

(iv) To promote the development of VPET and better equip young people to join trades and industries with great manpower demand, VTC has launched the Earn & Learn Scheme which integrates structured classroom learning with on-the-job training as well as provides a guaranteed level of salary and incentive allowance. The Scheme enables students to develop along a clear career progression pathway. Since the 2016/17 academic year, some 3 500 students have benefited from the Scheme.

(v) The Government injected \$1.2 billion into the Qualifications Framework (QF) Fund in March 2018 so as to further strengthen and drive the development of QF, enhance recognition of qualifications for different industries and provide youngsters with quality assured pathways for further studies and career development.

(vi) The Government also injected \$10 billion into the Continuing Education Fund (CEF) in May 2018 and will implement a series of enhancement measures, including raising the subsidy ceiling and expanding the scope of CEF courses to all courses registered under the Qualifications Register. Employees may make good use of CEF to pursue continuing education and skills upgrading, thereby moving upwards along the career ladder.

(vii) To enhance the employability of young people, the Labour Department (LD) implements the Youth Employment and Training Programme in collaboration with training bodies and employers to provide a full range of pre-employment and on-the-job training as well as career guidance and employment support services to young school leavers aged 15 to 24 with educational attainment at sub-degree level or below. Furthermore, LD operates two Youth Employment Resource Centres named Youth Employment Start to provide personalised advisory and support services on employment and self-employment to young people aged 15 to 29, so as to encourage them to make early career planning and assist those who aspire to self-employment in mapping out their career path.

(viii) Providing young people with more diverse internship opportunities can broaden their horizon and enhance their employability. EDB provides 9 000 industrial attachment opportunities each year for students studying Higher Diploma and selected Diploma of Vocational Education. The Home Affairs Bureau also implement various youth internship schemes with an aim to enable young people to understand the work culture and career prospects in different places, establish interpersonal networks, broaden their horizon and facilitate their planning for future career. Relevant schemes include the Funding Scheme for Youth Internship in the Mainland as well as the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas launched in March this year. In 2018/19, the Funding Scheme for Youth Internship in the Mainland subsidises a total of 135 youth internship programmes on the Mainland, expecting to benefit some 3 600 young people, whereas the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas provides around 250 high quality internship places for young people on the Mainland and overseas.