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Statutory minimum wage in Hong Kong: a family impact analysis

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ABSTRACT

This paper presents a study on family impact analysis of the Statutory Minimum Wage (SMW) in Hong Kong. Qualitative data were collected from seven focus groups and 13 individual interviews conducted with low-wage employees, parents of teenage workers, and parents of employees with disabilities. The 3D7L model of influence was adopted as the conceptual framework. The study found that SMW provided the participating employees with a wage floor and obviously raised their income. It facilitates family budgeting and motivates the participating employees to provide better care to their families. However, the rapid inflation eroded their increased income. They continue to work long hours to earn a living. In interaction with the gender norm, SMW boosted part-time work opportunities for women but the persistent gender norm limited their choices of work location and salary level. The implementation of SMW also escalated the social expectation on productivity that in turn intensified the marginalization of most vulnerable employees. For employees receiving public welfare allowances, the inflexible welfare policy has 'rub off effect' on their financial gain from SMW. In sum, SMW is not able to provide the adequate support and opportunities for the employees to actualize their motivations in giving better care to their families. Thus, the policy of SMW needs to be supported by other relevant social policies and services designed to address inflation pressures, minimize family-work conflicts, and mitigate the negative employment effects on the most vulnerable groups of employees.

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The new mandate on family impact analysis in Hong Kong

Family impact analysis (FIA) is informed by a growing vision of incorporating a family perspective in policymaking (Bogenschneider et al., 2012; Families Commission, 2005).

A family perspective in policy making acknowledges the important role that family considerations can play in a broad range of policy issues and therefore analyses the consequences of any policy, regardless of whether it is explicitly aimed at families, for its impacts on family relationships and wellbeing. (Ashcroft & Wong, 2010, p.11)

Though involving elements of policy analysis and program evaluation, an FIA study is distinct from the customary evaluation study with an exclusive and explicit focuses on family relevant variables (Druckman & Rhodes, 1977).

Originated in the United States in the 1970s, FIA has been made a mandatory requirement for proposed legislation in many states of the United States, Canada (Alberta), and Australia. Hong Kong is the newest member in the ranks. Effective 1 April 2013, an analysis of family impacts became a mandatory requirement in all policy submissions and Legislative Council briefs (Home Affairs Bureau, 2013). As there is limited experience in performing FIA, it is important to develop an appropriate analytical framework in assessing the impacts of policy on family and making pilot attempts to try out the family perspective approach (Commission of Strategic Development, 2008; Lau, 2015). To further the local experience in doing FIA and the development of a rigorous framework of the analysis, a pilot project on 'Family Impact Assessment on Statutory Minimum Wage' was conducted.

The policy of Statutory Minimum Wage (SMW) in Hong Kong

After more than a decade of heated and protracted debate, a statutory minimum wage (SMW) was implemented in Hong Kong on 1 May 2011. It is intended to be a wage floor, not a living wage (Provisional Minimum Wage Commission, 2010). However, employees' quality of life is one of the criteria for determining the minimum wage rate. The Provisional Minimum Wage Commission (2010) expected that

as the hourly wage rates of the low-paid would be raised upon the implementation of SMW, grassroots workers may have a choice to work flexible or less hours while getting the same or even higher income. This would allow them more time to take care of family responsibilities or other personal fulfillments, and hence enhance their quality of life. (p. 58).

Research and data collected after the enactment of SMW indicated that low-paid employees enjoyed notable pay increases with the implementation of SMW. SMW also significantly enhanced the incentive to work. Labor force participation rates rose consistently across different age groups and educational levels, particularly among women and the elderly (Minimum Wage Commission, 2012, 2014). Though the implementation of SMW in 2011 brought about an instant one-off boost to labor costs that had escalated inflation to some extent (Minimum Wage Commission, 2012), the inflation was mainly driven by food prices and private housing rentals (Chan, Cheung, & Lai, 2014; Minimum Wage Commission, 2012). Despite the general positive effects, SMW was found to have disemployment effects on employees with disabilities (Hong Kong Council of Social Service, 2013; Wong & Ye, 2012).

The implementation of SMW impacted the retail and restaurant sectors by increasing labor costs and narrowed the wage differential among some occupation groups and within some sectors (Minimum Wage Commission, 2012). The narrowed wage differential led to recruitment difficulties in sectors with unfavorable working environments (Lee & Yeung, 2012; Policy 21 Limited, 2012). However, it was observed that SMW had not posed significant adverse impact on entrepreneurship and business sentiment and over the years since its implementation, most sectors benefited from the largely stable macroeconomic conditions with expanding business (Minimum Wage Commission, 2014). In sum, there are more positive than negative economic and employment effects.

Limited examination of the effects on family of SMW

Most studies on the impact of SMW have targeted either enterprises or employees as individuals. There are limited examination on the family effects of SMW. Oxfam Hong Kong (2012) found that 72.6% of the participating low-paid workers noted an increase in individual income and 69.9% reported an increase in household income after the implementation of SMW. However, these income increases failed to eliminate family deprivation or to improve family life. Similarly, Wong and Ye's (2012) study found that SMW had failed to make a significant improvement on the overall quality of life of these vulnerable groups. The barriers to an extensive positive impact of SMW on family life in Hong Kong are yet to be further explored.

Studies in other countries found that though such a policy may increase the incomes of some poor families, its disemployment effects, especially on adult family breadwinners, lead to net income loss in some poor families (Neumark, Schweitzer, & Wascher, 1999, 2005; Neumark & Wascher, 2002; Page, Spetz, & Millar, 2005; Sen, Rybcznski, & Van De Waal, 2011). With regard to the fact that disemployment effect of SMW in Hong Kong is limited to employees with disabilities, alternative reasons have to be considered. A study in Germany found that its ineffectiveness in lifting poor families out of poverty was mainly due to the inflexible system of means-tested income support in Germany (Müller & Steiner, 2008). Other studies found that, due to the low labor participation rate in the poorest households, low-wage workers do not necessarily come from poor families. Minimum wage tends to benefit middle-income households, thus making it ineffective at lowering family income inequality (Burkhauser & Finegan, 1989; Gramlich, 1976; Leigh, 2007). Eldring and Alsos (2012) proposed that the impact of minimum wage on family poverty depends on multiple variables. Factors other than disemployment include the number of household members, the number of wage-earners, and other types of benefits received by the household (p. 34). Families with more children, single-parent families, and single adult males were in the worst situations (Williams et al., 2006). The applicability of the variables influencing the family effects of SMW suggested in the Western literature have to be verified. In addition to family poverty, the impacts of SMW on the other aspects of family well-being have to be explored.

Conceptual framework of the study

To examine the factors affecting the impacts of SMW on families and the resulting impacts, Wong's (2010) 'three domains and seven critical levers' (3D7L) model was adopted as the conceptual framework of the study. The model aims to analyze how policy might influence people's decisions and behaviors with regard to family relationships through the key domains of motivation, opportunity and support, and some associated levers or factors.

Motivation

Policy may affect family relationships and well-being by affecting people's motivation to make certain decisions and to behave in certain way. For instance, policy can affect people's motivation to get married by influencing social norms.

Opportunity

Policy may affect significant environmental factors that can create or impede the opportunities for people to facilitate family relationships and fulfill family responsibilities. For instance, policy on regional development can affect people's accessibility to facilities for family leisure activities.

Support

It includes formal and informal support. Support for family is crucial so that motivation can be maintained while opportunities are continually expanded. Policy such as that which affects the institutional mechanisms that support informal carers, or that which dis-incentivizes proximity of location can encourage or impede the provision of informal support.

Based on an 'ecological' perspective (Bronfenbrenner, 1979), the three domains of influence are interlinked with and interrelated to each other. Policy that affects one domain in a particular way might in turn have an indirect consequence, or a 'rub-off effect', on another domain. Furthermore, policy can affect one or more of the seven critical levers of influence, which in turn affect one or more of the three domains of influence. The seven associated factors are proposed to be:

Finance

People's finances can motivate people to make certain choices, as well as provide the opportunity to fulfill certain responsibilities better. People's finances can be affected by both financial tools of policy such as tax and non-financial tools such as education on financial literacy.

Time

People's time affects many of their decisions and behavior that are important for family relationships and well-being. People's time can be affected by direct time-related policies, such as those that pertain to working time, as well as indirect time-related policies, such as transport, housing and public services delivery.

Place

Policy can affect the spatial environments in which family members relate. Physical presence change the boundary of possibilities for family relationships. The geographic proximity of family members enables the opportunity and potentially increases people's motivation to provide informal relational support. The condition of and security at public places such as parks can affect the opportunities for family activities that are beneficial for well-being.

Social norms

Social norms influence people's decisions and behaviors by defining what is acceptable or desirable. Policy can shape social norms over time. For instance, legislation that bans parents smacking children might over time create a norm where disciplining children physically might not be acceptable.

Relational skills

These skills are the competence that enable people to build relationships and to conduct their relationships in ways that lead to greater well-being, and are applicable across every facet of life. The cultivation and exercise of acquired relational skills is usually enabled and facilitated by some other levers such as time, finance, place and social norms.

Frontline public service delivery

Public services such as treatment received from doctors are an integral part of the family's everyday lives, policy's impact on the adequacy of provision and the efficiency of delivery of frontline services can affect family relationships and well-being in a variety of ways.

Institutional mechanisms and the third sector

Institutional mechanisms are about whether the systemic nature of services is geared towards empowering people with comprehensive and useful information for obtaining care, and whether agencies within the system work in a joined-up way to better deliver care services. Third sector and voluntary organizations may complement and sometimes prove to be more effective than public services in influencing family relationships. These influences may also channeled through some rub-off effects on other levers.

Guided by the 3D7L model, the main research question of the study is

Whether the policy of SMW motivates, creates the opportunity for and supports people to value, develop and strengthen committed family relationships, discharge personal responsibilities pertaining to relationships within the family, and conduct relationships in ways that enhance the wellbeing of the family.

Informed by the model and findings of the previous studies, significant influencing factors of the family impacts of the SMW have been examined.

Procedures and methods of analysis

To acquire a dynamic and systemic understanding on the effects of SMW on family relationships through its impact on the key domains and critical level, qualitative inquiries in the formats of focus group interviews and individual interviews were adopted as the research methodology. Interview participants included low-wage employees and parents of employees with disabilities and of teenage workers. Purposive sampling was used in the recruitment of participants. To assess the impacts of the policy on individuals and families in diversified situations, participating employees included working single parents, new immigrants, teenage workers, employees who are young adults, aged workers, employees with disabilities, and low-wage employees in general.

In total, 40 employees and six parents participated in seven focus group interviews and there were 13 individual interviews. Appendices 1 to 3 provide a summary of the demographic characteristics of these participants. All employees with disabilities, employees who were new immigrants, three single parents and parents of employees with disabilities were recruited through social service agencies. It was found that their implicit mission was to focus on the limitations rather than the achievements of SMW. To achieve a more balanced conclusion and adequate diversity of participants, low-wage employees in general, two teenage workers, the mother of a teenage worker, a single mother, two

elderly workers and an employee who was an ex-mental patient were recruited through the investigators' personal network.

The semi-structured interviews were guided by questions formulated on the basis of the conceptual framework described in the previous section. The interviews were started with a general question of 'What are the impacts of the implementation of SMW on your family?' followed by detailed questions generated in the process of conversation on the impact of SMW on their financial situation, work hours, time and energy available for family, work location they preferred, the social welfare provisions that they received, the interaction of the impacts with social norms such as gender role ideology, and other social policies such as housing policy and welfare policy. Special attention was paid to the motivational effects of the impacts and whether they provided opportunities and support for the betterment of family relationships and well-being.

The interviews were conducted between January and September 2013. With written consent from the interviewees, all the interviews were taped and transcribed. Peer checking and member checking were conducted to ensure the trustworthiness of the results of the data analysis. A research fellow with a doctoral degree in social welfare conducted the first round of data analyses. The results were reviewed by the authors. The credibility of the work was checked by eight participants with each being given a copy of their interview transcript along with the main points of analysis based on that transcript. In addition to the analyses according to the conceptual framework and the research question, a grounded-theory approach was adopted to capture any unexpected themes and findings (Miles & Huberman, 1984).

Results and findings

The results of the study are reported according to the 3D7L framework in the follows. Critical associated factors of the impact of the implementation of SMW on the respondents' families were found to be finance, time, place, social norms and institutional mechanisms.

Finance

Consistent with the findings of previous studies in Hong Kong, the enactment of SMW markedly increased the hourly wage of the low-wage employees who participated in the interviews. A large fast food chain restaurant raised the hourly wage from HK\$23 (US \$3.03) to HK\$28 (US\$3.68), a 21.7% increase. The most extreme examples were found in employees with intellectual developmental disorders. Some saw anywhere from a 50% to an over 100% increase in their monthly income or hourly wage with the implementation of SMW. In comparison, the 7.4% hourly wage increase from HK\$28 to HK\$30 (US \$3.95) in May 2013, the change two years on after the implementation of SMW, was relatively small. Nevertheless, a motivational effect of the expected wage increase was observed. In the interviews conducted before May 2013, some participating employees, especially among those who were single parents and sole breadwinners, were looking forward to the prospective wage increase and planned to make use of the increased income to provide better support and care for their family members; this instilled hope for a change in the family situation.

With the [expected] wage raise, I would have more income. It will at least slightly relieve my tight budget ... For example, I could support my son to join learning classes, to have more out-of-home activities. Without the wage raise, I don't dare to buy tuition help for his study. With the expected increased income in May, I plan to buy him the tuition service. (SP3, individual interview on 16 April 2013)

It has been said that it will increase to HK\$30 this year ... Before I got this job, I could not afford to buy any insurance. After the implementation of minimum wage [in May 2011], I have been able to have some savings. [With the expected increased wage in May] I start to think that maybe I should buy health insurance ... I am aging. I wish to buy an insurance that covers surgery and inpatient care. It is my responsibility as a parent to provide good protection to myself and my family. (SP1, group interview on 3 April 2013)

Closely related to the motivational effect, participating employees shared that the setting of a wage floor had enabled them to have a concrete estimate of their baseline income and facilitated better budgeting for family expenses.

With the statutory minimum wage, I can estimate the amount of money I will have ... it will be more stable ... Yes, it [a predictable income] is very important [to my family]. (SP2, individual interview on 6 January 2013)

It is good [to have a wage floor] ... Especially for those in cleaning industries and security services. Without the intervention of the government, our wage could be very low. (LI 9, follow up individual interview on 20 August 2013)

The number of wage-earners also matters. Some participants revealed the relief and support of a second paycheck. One participating mother of a teenage worker described her heightened motivation and ability to save for a family trip with the extra income from her daughter, who was earning minimum wage. Some others reported that it supported them to give better care to family members.

At first, the family financial situation is very tight with just my income. My brother started to work very recently. Both of us contribute most of our income to our family. The financial situation of our family is much improved now ... he earns about seven thousand dollars [US\$921] a month. (Y3, group interview on 3 April 2013)

With my husband's income only, it is not enough to support my daughter to have more extracurricular activities. My income can subsidize the family expenses and enable us to better support my daughter. (LI 1, group interview on 10 April 2013)

Despite the positive impact reported by some of the participating employees, the majority asserted that rapid inflation after the implementation of SMW had largely eroded the benefits of SMW on the disposable income that they could spare for family expenses.

Honestly, with the existing high consumption prices, it (the statutory minimum wage) doesn't help ... Now a lunch box costs more than thirty dollars ... It is more than the hourly wage of minimum wage. (NI 5, group interview on 10 April 2013)

If the prices [of daily necessities] do not go up ... it (the statutory minimum wage) would help. It is useless as the living costs keep on rising. (LI 13, group interview on 26 May 2013)

The eroding effect of SMW was most obvious among those who could not access or did not qualify for public welfare provisions, people such as new immigrants. Their income increase was largely negated by inflated housing rents. This made the simultaneous

inflation of food prices and expenses of daily commodities unbearable. These difficulties were strongly echoed in the group interviews.

Employee 11: The rent is so expensive. Now it is four thousand and eight hundred dollars [US \$ 631.6], three quarters of my salary (NI 1, group interview on 19 April 2013).

The above findings suggest that increased wages induced by implementing the minimum wage in Hong Kong are low relative to the rise in the cost of living. Thus, in response to the direct inquiries on the impact of SMW on their families, the predominant answer was ‘It does not help’ or ‘there is no impact’.

Time, place, gender norms and their interaction

To keep up with expenses affected by rapid inflation, many of the participating employees, especially those who were sole breadwinners, continued to work long hours to make ends meet even after the notable pay increase. They experienced obvious money-time or work-family conflicts. The situation was most acute among those who were sole breadwinners with dependents.

Originally ... I can take care of my family with the time. Now I have to spend all the time in my work. However, the earning is low. It does not help my family in full ... with three children. I have to earn at least HK\$9,000 [US\$1,184] [for a family of four]. [Interviewer: With minimum wage, it means you have to work more than ten hours a day to earn that amount?]. Yes, it is the situation. (SP2, individual interview on 6 January 2013)

Facing the conflict of work and family, working mothers in families with better financial situations chose to strike a balance between work and family by taking up part-time work, especially part-time jobs in their home districts. Even though most working mothers had reported that they enjoyed working due to their enhanced financial autonomy and social life, gender roles restricted their work choices in terms of work modes and work districts. Because of the time involved, they expressed great hesitation over working in other districts where the wage would be much higher.

My present work hours are my highest limit. If I leave my work to a later hour, I would not be able to prepare the supper for my family on time ... Thus I have to choose this job as it does not require me to work on Chinese New Year and Chinese festivals. It doesn't matter even though the pay is low. (LI 14, group interview on 20 May 2013)

As such part-time jobs are usually situated in industries with less desirable working environments and are poor in terms of work benefits and prospects for promotion, the work-family balance was shaped by the working mothers' having to sacrifice their whatever competitiveness they had in the labor market (Wong, 2013). For that reason, the evidenced increased employment opportunities and labor force participation of women had failed to enhance gender equality in both the families and the labor market.

Social norm: the intensified emphasis on value for money and productivity

It was found that the implementation of SMW escalated the social norm or expectation of value for money and productivity and led to marginalization of employees with least productivity. An occupational downward movement for people with disabilities and for

aged workers was observed, including a move to a lower rank or work position, to a less favorable working environment, and from full-time to part-time work.

My previous company fired me because of the implementation of minimum wage. I worked seven hours a day previously. Now I work on a part-time basis. (MD 2, group interview on 19 April 2013)

Before the implementation of statutory minimum wage, I worked as a security staff. We have good employability at that time ... After the wage was raised to HK\$28, all those with high pay were laid off and replaced by younger staff members with much lower pays. Most of these young guys have at least a secondary education level. (LI 8, group interview on 22 May 2013)

Only those who are aged are willing to work in this industry. This job is for those who find it difficult to get a job in other industries. I am the youngest one in my company. I cannot get another job due to my poor health. (SP4, individual interview on 16 April 2013)

Two participating parents of employees with intellectual developmental disorders went so far as to insist that they preferred not to have SMW if it would increase the likelihood of unemployment for their children. They worried that without employment, their children would have to stay at home, which would add to caregiving pressure on the family. Another participating employee – an ex-mental illness patient – shared similar worries regarding the negative effect of unemployment on his family relationships.

I do not support SMW. It is because our mild-grade mentally retarded children may lose their employment opportunities. I know a parent whose son originally worked five days a week. Due to the implementation of SMW, now he works only 16 hours a week. It means he has a lot of time at home. His mother is so worried regarding how to supervise the son while he kills time. I would rather my son have a job where he earned less money ... They need a place to go, to have something to do and to learn that they can earn money by working. (PMD 2, group interview on 20 May 2013)

My worry is ... I would be very happy if I could keep this job until the age of 55 ... if I have no job, I have to stay at home ... there will be a lot of grievance and resentment. (MD 8, individual interview on 19 June 2013)

Problems of institutional mechanism

In Hong Kong employees with disabilities are able to choose to have their productivity assessed to determine their hourly rate. However, none of the employees with disabilities or their parents mentioned productivity assessment in the interviews. Actually, productivity analysis has been under-applied in Hong Kong (Hong Kong Council of Social Service, 2013). It reflects problems in the institutional mechanism that the information has not been disseminated to the employees and their caregivers in an effective and empowering way.

Another problem of institutional mechanisms that has hindered employees from benefiting from SMW is the inflexible welfare systems. Without any corresponding adjustment of income limits for certain public welfare allowances, low-wage workers could lose their eligibility for allowances due to them following the minimum wage raise. An elderly worker expressed his concern as follows:

Employee 14: Now the income limit of Old Age Living Allowance is about HK\$7,000 [US \$921]. [Specifically, it was HK\$6,600 [US\$868] in 2013.] [If I work] 12 hours [my income]

will exceed the income limit. [If I work] 8 hours [my income] won't [exceed the limit]. I prefer to work 8 hours and avoid overtime work ... If I work more hours, I would get a few more dollars but lose the HK\$600 monthly allowance. (E2, follow-up interview on 22 May 2013)

Similarly, there was no adjustment of the amount for disregarded earnings (DE) under the Comprehensive Social Security Assistance (CSSA) scheme. The provision of DE allows recipients who work to retain part of their earning. The limit of DE is HK\$4,200 (US \$552). This means that for any employees earning more than the limit, all income increase due to SMW will be deducted from the CSSA that the family received. With such a low upper limit of DE, SMW would make no difference when it comes to the recipients' total family income. A recipient of CSSA for a low-income family reported that, 'There is no influence [of minimum wage] if you are receiving public allowance' (LI 10, follow up interview on 17 August 2013).

Discussion and conclusion

Consistent with the 3D7L model, the family effects of SMW are channeled through the interactions of multiple factors. SMW provided the participating employees with a wage floor and obviously raised their income. It motivated them to provide better care for family members and plan for more family activities. Echoing Eldring and Alsos' (2012) ideas, the number of wage earners and what benefits the family are receiving also matter. Among those who could not access or did not qualify for public housing, the rapid inflation eroded the positive financial effects of SMW. It robbed them the support and opportunities facilitated by increased financial resources. Meanwhile, the availability of public housing and another wage earner in the family helped to relieve the eroding effect of inflation. It has to be noted that even for employees receiving public welfare allowances, the inflexible institutional mechanisms have 'rub off effect' on their financial gain from SMW. This finding echoed the result of Müller and Steiner's (2008) in Germany.

Furthermore, the findings from the present study show that SMW in Hong Kong is still too low to save low-paid workers from work-family conflicts. Work-family conflicts were most obvious among participating employees who were single parents. Folbre, Gornick, Connolly, and Munzi (2012) have proposed the concept of 'extended earnings', which would include both after-tax earnings from paid work and valuation of unpaid work for household production, including family caregiving. Thus when celebrating the increased labor force participation rate among women and the gains to family earnings provided by employment, we need to attend to the reduction in living standard resulting from declines in time devoted to unpaid caregiving work. Though SMW boosted part-time work opportunities for women, the gender norm limited their choices of work location and salary level. It has trapped them in low-paid employment with less favorable work environments and/or benefits. Adding the negative effects on mental health to unfavorable work environment into the formulation, a context of high family-work conflict and unfavorable work environment limited the positive impact of SMW in terms of low-income female employees' 'extended earnings'.

Last but not least, the implementation of SMW also escalated the social expectation on productivity that in turn intensified the marginalization of the most vulnerable employees such as aged workers and those with disabilities. The displacement of their full-time work

with part-time work seems to have adverse effects on the family relationships of employees with disabilities. In addition to the decrease of income, the negative employment effect affects the family dynamics which arose with the employees' extra time at home.

Results of the study have extended the existing knowledge related to the effects of minimum wage from the individual level to the family level. In conclusion, income increases due to the implementation of SMW motivates the participating employees to take better care of their families. However, in the context of sharp inflation, inflexible institutional mechanisms and persistent gender norms, SMW fails to provide adequate support and opportunities for them to actualize their motivation. As a wage floor instead of a living wage, SMW in Hong Kong has so far fallen short of being a family responsive and supportive policy.

Recommendations

To maximize the positive effects of SMW and minimize its negative effects on families, SMW must be coordinated with other relevant social policies and services with the objective of mitigating the negative effects of persistent inflation, minimizing family-work conflicts, and eradicating the negative effects on the employment of the most vulnerable groups of employees. Echoing the findings in an international study (Easterly & Fischer, 2001), we can anticipate that inflation hurts disadvantaged groups – the poor, the uneducated, the unskilled, and those who are new immigrants in Hong Kong – the most. More effective policies and government interventions are necessary to stabilize sharply rising prices. There is a pressing need for accelerated construction of public rental housing in order to relieve the housing expenses for low-income families in private housing (Wong & Ye, 2014). Results from the present study point to the need for implementing the Low-Income Working Family Allowance as a supplementary means to eliminate family deprivation. Fortunately, the Legislative Council has already passed the bill on the allowance in July 2015 and the scheme will start receiving applications in May 2016. Moreover, the limit on disregard earnings of the CSSA has to be adjusted to help those from low-income families to actually benefit from the increased minimum wage and thus enhance their quality of life.

With more effective measures to stabilize prices, it is strongly recommended that the statutory minimum wage be adjusted regularly for inflation. Pearce (2001) proposed the self-sufficiency standard that 'calculates the amount of money working adults need to meet their family's basic needs without public or private subsidies. The standard varies according to the family's size and composition, is geographically specific and includes work expenses' (p. 4). In the long run, striving for a SMW that makes it possible for full-time employees to reach the self-sufficiency standard is the most desirable policy goal. This requires a change of belief on the part of policymakers towards recognizing that childrearing is a socially productive work; a worker should be able to earn enough to support the unpaid caregiving and childrearing activities of the family (Folbre, 2003). With an adequate minimum wage rate, expanding affordable childcare services at the neighborhood level and the policy of standard work hours can save working parents from the untenable choice between earning a living through meaningful employment and taking care of their children.

It is necessary to promote productivity analysis among both employers and employees, as well as among the family members of these employees. To attain a balance between

retaining job opportunities for people with disabilities and considering the burden on employers, it is also recommended that employers pay disabled employees according to their actual ability. The resulting wages would be subsidized by a special employment fund or an allowance for employees with disabilities (Wong & Ye, 2014). It also highly recommends family support services for these employees and their family members, with an emphasis on caregiving and family relationships.

Limitations of the study and direction of further studies

The FIA in Hong Kong is still in its infancy stage. The study was conducted with limited pre-experience. It was a learning by doing process. Integrating a macro policy analysis with a micro analysis of the impact of policy at individual behaviors and family life is an extremely difficult task. Though great efforts had been made to recruit a more balanced sample, we have to admit that the findings of the study might still be skewed towards the inadequacy rather than the success of SMW. Having been derived from a qualitative exploration, the findings need further verification that they are generalizable.

Though the picture portrayed in the above analysis might not be a complete representation, the apparent limitations of SMW still deserve policymakers' attention. This study represents the first attempt at examining the applicability of the 3D7L model in Hong Kong. Further studies are necessary to verify and improve the framework to a level where it has global implications for the theory and practice in the application of family impact analyses. There is also a need to further develop an indigenous analysis framework for family impact analysis and to identify the critical factors affecting the family impacts of wage policies in Hong Kong.

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Appendices

Appendix 1. Demographic data of participating employees in group interviews

Date of interview	Participant number	Sex	Age range	Education level	Industry	Marital status	Main breadwinner of the family?	Co-residence with family members?
130403	SP1	F	41–45	Junior high	Social Service	Divorced	Yes	Yes
130403	Y2	M	21–25	Senior high	Social Service	single	Yes	Yes
130403	Y3	F	21–25	Matriculation	Social Service	single	Yes	Yes
130403	Y4	F	21–25	Matriculation	Social Service	single	Yes	Yes
130403 ^a	T5	F	<20	junior high	catering	single	Yes	Yes
130410	LI 1	F	36–40	junior high	Retailing	Married	No	Yes
130410	LI 2	F	41–45	Senior high	Property management and security	Married	No	Yes
130410	LI 3	F	31–35	junior high	cleaning	Married	No	Yes
130410	LI 4	F	31–35	junior high	logistics	Married	Yes	Yes
130410	LI 5	F	31–35	junior high	catering	Married	No	Yes
130410	LI 6	F	31–35	junior high	catering	Married	Yes	Yes
130419	NI 1	M	36–40	Senior high	catering	Married	Yes	Yes
130419	NI 2	F	>60	Primary or below	cleaning	Married	Yes	Yes
130419	NI 3	F	56–60	Primary or below	cleaning	Married	Yes	Yes
130419	NI 4	F	41–45	junior high	cleaning	Married	Yes	Yes
130419	NI 5 ^a	F	41–45	Senior high	catering	Married	Yes	Yes
130419	NI 6 ^a	M	41–45	junior high	Recycling and cleaning	Divorced	Yes	living alone
130419	MD1	M	31–35	Senior high	leaflet distributor	single	No	Yes
130419	MD 2	F	26–30	junior high	leaflet distributor	single	No	Yes
130419	MD 3	M	41–45	junior high	cleaning	single	Yes	Yes
130419	MD 4	F	36–40	junior high	Property management and security	Married	Yes	Yes
130419	MD 5	M	46–50	junior high	cleaning	Married	Yes	Yes
130419	MD 6	M	21–25	Senior high	Trading	single	Yes	Yes
130419	MD 7	F	26–30	Senior high	catering	single	No	Yes
130522	E1	F	>60	junior high	catering	Bereaved	Yes	living alone
130522	E2 ^a	M	>60	junior high	Property management and security	Married	Yes	Yes
130522	LI 7	F	46–50	Matriculation	Property management and security	single	Yes	living alone
130522	LI 8	F	46–50	Senior high	Flower shop	Married	Yes	Yes
130526	LI 9 ^a	F	51–55	junior high	Property management and security	Married	Yes	Yes
130526	LI 10 ^a	M	56–60	junior high	Building materials	Married	Yes	Yes
130526	LI 11	M	41–45	Primary or below	cleaning	Married	Yes	Yes
130526	LI 12	F	41–45	Primary or below	cleaning	Married	Yes	Yes
130526	LI 13	F	46–50	junior high	Property management and security	Married	Yes	Yes

^aParticipants of member checking and follow up interviews

Y: young adult workers

T: Teenage worker

LI: Low income workers in general

E: Aged workers

NI: Workers who are new immigrants

MD: Workers who are mentally disabilities

Appendix 2. Demographic data of participating employees in individual interviews

Date of interview	Participant number	Sex	Age range	Education level	industry	Marital status	Main breadwinner of the family?	Co-residence with family members?
130106	SP2	F	41–45	Senior high	Warehouse and logistics	Bereaved	Yes	Yes
130416-1	SP3	F	31–35	Primary or below	cleaning	Bereaved	Yes	Yes
130416-2	SP4	F	51–55	Primary or below	cleaning	Divorced	Yes	Yes
130515	T2	F	<20	junior high	Beauty industry	single	No	Yes
130520-1	LI 14	F	46–50	junior high	catering	Married	No	Yes
130520-2	LI 15	M	46–50	Senior high	catering	Married	Yes	Yes
130618	MD 8	M	46–50	Matriculation	Gardening	single	No	Yes

SP: Single parent

T: Teenage worker

LI: Low income workers in general

MD: Workers who are mentally disabilities

Appendix 3. Demographic data of participating parents

Date of interview	Number in the group	Sex	Age range	Education level	Work situation	Family income	Sex child	Child's age	Industry of the child	Financial contribution of the child?
130523	PMD1	M	>60	university	retired	>25,000	M	41–45	Printing	no
130523	PMD2	F	>60	Primary	Full time housewife	6,000–7,999	M	31–35	Production assistant	yes
130523	PMD3	F	>60	Junior high	Full time housewife	No information	M	31–35	Cleaning	yes
130523	PMD4	F	>60	Junior high	Full time housewife	15,000–19,999	M	31–35	Cleaning	no
130523	PMD5	F	>60	Junior high	Full time housewife	20,000–24,999	M	31–35	Cleaning	yes
130813	PT1	F	36–40	Junior high	clerk	8000–9000	M	<20	Catering	yes

PMD: Parent of employees with mental disabilities

PT: Parent of teenage worker