Citi-FT Financial Education Summit

2013

Hope Development Accounts
New Initiatives for Poverty Alleviation

by

Ivan Yiu
(Community Services Secretary)

Tung Wah Group of Hospitals

5th December 2013
Poverty Situation in Hong Kong

The Poverty Line by Household Size, 2009-2012:
As a result of economic upturns, sturdy labour market and implementation of the statutory minimum wage, poverty thresholds moved upwards.
Poverty Situation in Hong Kong

2012 Poor Population by Economic Activity Status

<table>
<thead>
<tr>
<th>Economic Activity Status</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>18,200</td>
</tr>
<tr>
<td>Economically inactive</td>
<td>228,100</td>
</tr>
<tr>
<td>Working</td>
<td>156,700</td>
</tr>
<tr>
<td>Overall</td>
<td>403,000</td>
</tr>
</tbody>
</table>

Source: General Household Survey, Census and Statistics Department
## Poverty Situation in Hong Kong

<table>
<thead>
<tr>
<th></th>
<th>No. of Poor Households (after recurrent cash intervention)</th>
<th>Total</th>
<th>Receiving CSSA</th>
<th>CSSA take-up rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working poor households</td>
<td>156 700</td>
<td>13 100</td>
<td></td>
<td>8.4</td>
</tr>
<tr>
<td>Unemployed poor households</td>
<td>18 200</td>
<td>7 000</td>
<td></td>
<td>38.2</td>
</tr>
<tr>
<td>Economically inactive poor households</td>
<td>228 100</td>
<td>82 600</td>
<td></td>
<td>36.2</td>
</tr>
<tr>
<td>Overall</td>
<td>403 000</td>
<td>102 700</td>
<td></td>
<td>25.5</td>
</tr>
</tbody>
</table>

Source: “Commission on Poverty Summit – Setting of the Poverty Line and Analysis of the Poverty Situation”
To date, 250 accounts and over 600 low-income family members have been reached.
The Vicious Cycle

- Poverty
- Short-sighted & risk avoidance
- No Plan or Life goals
- Constraints on capacity & network
The Asset-based Approach Perspective

- Building capital assets (i.e. money saving) and personal assets (i.e. self-esteem, enhance capacity and support network vs the existing consumption-oriented and relief-based social security’s provision)
Building blocks of HDA

- Equip occupational skills
- Restores hope and aspiration
- Increase self-sufficiency

Financial Capital

- Increase employment income
- Increase financial independence
- Enhance long-term economic security

Human Capital

Social Capital

- Enlarge social circle
- Strengthen the support network and family cohesion
HDA Deliverables

Financial Capital
- 1:1 Matching Fund
- Monthly Saving Deposit (HK$200 -- HK$500, i.e. US$25.7 – US$64.1) for maximum of 24 months
- Financial Management and Entrepreneurial training including marketing, sales, and procurement (at least 20 hrs every year)

Human Capital
- At least 60 hrs of training for women every year
- At least 30 hrs of training for other family members
- Training related to personal growth, vocational skills and family life education

Social Capital
- Mentorship Program: Provide guidance & coaching on goals, business plans, group recreational activities
- Mutual Support Group
Achievement and Impact of HDA

- Recognized with various awards in the community:
  - Outstanding Partnership Project Award - Hong Kong Council of Social Service Caring Company 2011

- Served as a good model for HKSAR Government’s Child Development Fund

- Inspired a new policy “Incentive Scheme to Further Encourage CSSA Recipients of the Integrated Employment Assistance Programme for Self-reliance to Secure Employment” launched by Commission on Poverty
THANK YOU