

Box 6.1

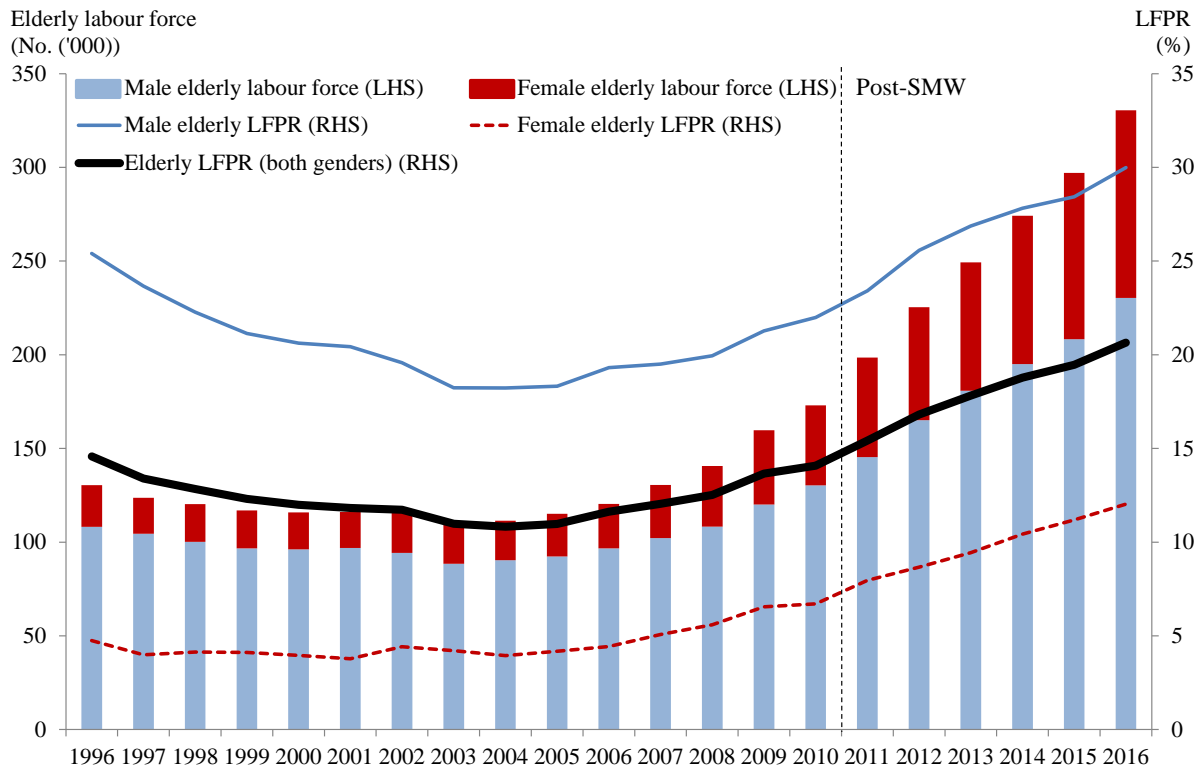
Elderly employment

Thanks to the advancement in technology and medical services, many people nowadays enjoy better health and have greater capacity to choose their ways of life even after reaching old age. While some elderly people may engage in unpaid activities to pursue personal goals after retirement, increasingly more choose to extend their working life or re-enter the workforce when opportunities arise. Statistics compiled by the Census and Statistics Department (C&SD) ⁽¹⁾ showed that among some 1 600 800 people aged 60 and above (crudely classified as “elderly people” for analytical purpose in this article) in 2016, around 330 500 were in our workforce, of which almost 70% aged 60-64. The elderly workforce accounted for 9.1% of the total in 2016, as compared to merely 4.3% two decades ago.

Augmenting elderly labour force and employment over the past decade

Over the past two decades (1996-2016), the elderly labour force bottomed out in around 2004-2005, a period when the first batch of post-War baby boomers (i.e. those who were born after 1945) reached 60, and bounced back notably thereafter (*Chart 1*). For the period of 2007-2016, the elderly labour force rose at 10.6% per annum, in stark contrast to the decline of 0.8% per annum in the preceding decade. Elderly labour force participation rate (LFPR), a measure of incentive to stay in the labour market, exhibited a similar trend. Specifically, LFPR of elderly females only hovered at around 4-5% during 1996-2005, with females only making up less than one-fifth of the elderly labour force. Their LFPR increased continuously since then to a historic high of 12.0% in 2016, with females accounting for around 30% of the elderly workforce. On the employment front, elderly employment largely showed a similar uptrend as the labour force in the past decade. During the period after the implementation of the Statutory Minimum Wage (SMW) (i.e. 2011-2016) in particular, elderly employment on average increased by 11.5% per annum (or 155 100 in total) amidst largely favourable labour market conditions, as compared to overall employment growth of 1.3% per annum (or 262 500 in total) over the same period.

Chart 1: Elderly labour force and LFPR



Source: General Household Survey, C&SD.

(1) Unless specified otherwise, all labour-related statistics quoted in this article exclude foreign domestic helpers.

Box 6.1 (Cont'd)

Improved income prospects and job quality for the elderly

The rising elderly LFPR over the past decade in some way reflects the more favourable income and job prospects which have conceivably helped entice elderly people to enter / stay in the workforce. Apart from cyclical factors, elderly people nowadays are generally better educated, thereby allowing them to have more career options, including jobs which are less physically demanding. Specifically, the share of employed elderlies with upper secondary and above almost doubled from 21.0% in 1996 to 39.1% in 2016. Echoing the improved educational profile, around 27% of employed elderlies was in the higher-skilled segment in 2016, as compared to only 19% in 1996 (*Chart 2a*). Also, when comparing to their counterparts in 1996, the average employment earnings of full-time elderly employed persons rose by some 53% in real terms (i.e. after discounting inflation) in 2016, as against some 34% increase for all employed persons over the same period.

Chart 2a: Elderly employment by occupation

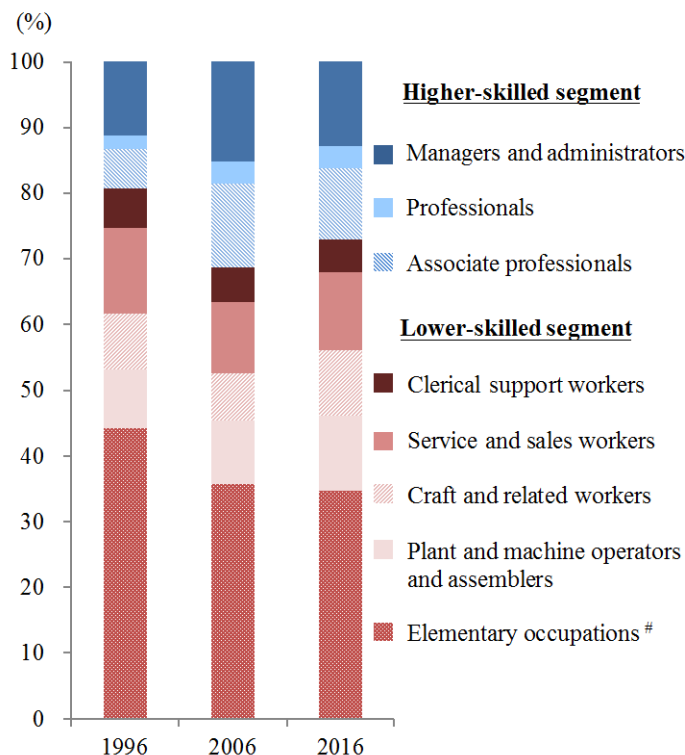
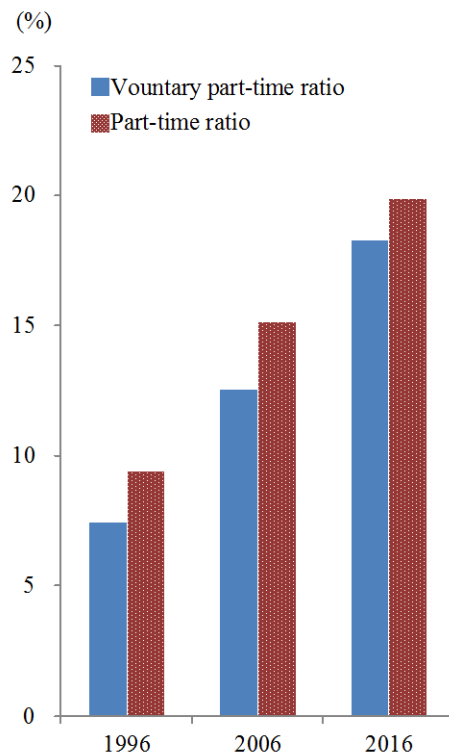


Chart 2b: Part-time(*) ratio of elderly employed persons



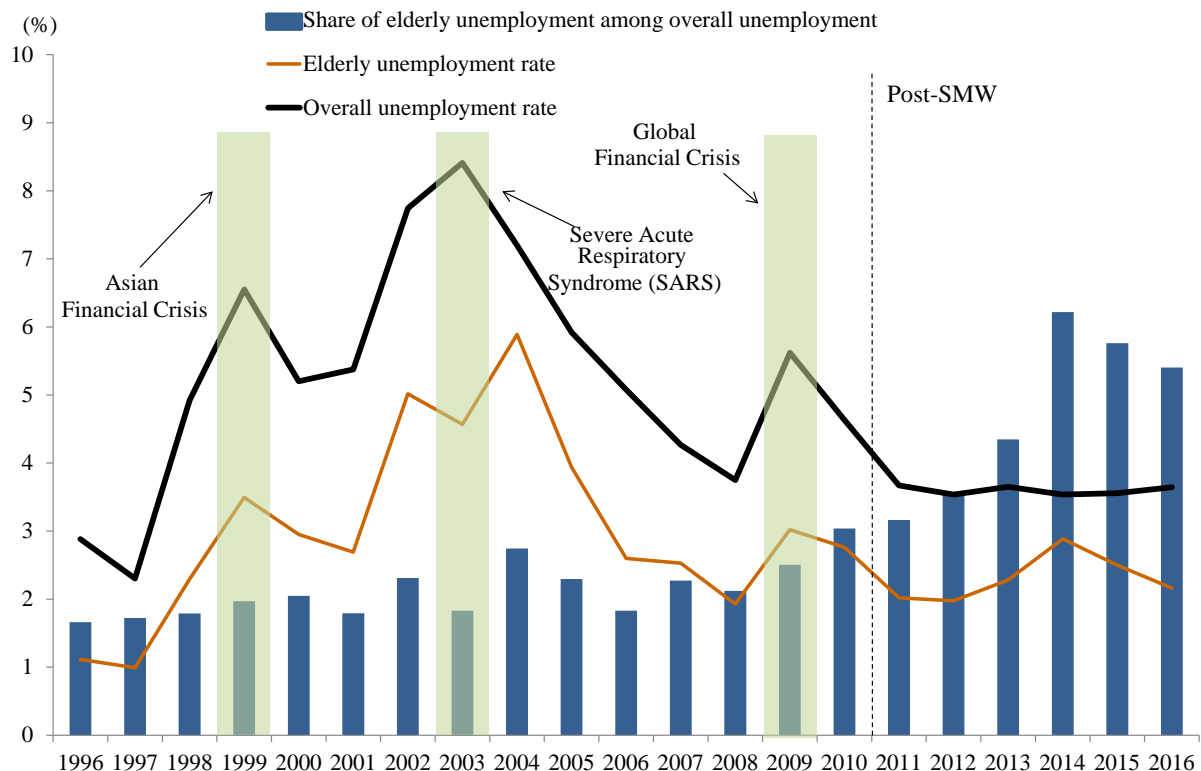
Notes: (*) Part-time employed persons are those working less than 35 hours during the seven days before enumeration due to reasons other than vacation. Voluntary part-time employed persons exclude those part-time employed persons who were underemployed.
 (#) Include other occupations.
 Source: General Household Survey, C&SD.

Over the past two decades, the share of part-timers among elderly employed persons more than doubled, from 9.4% in 1996 to 19.9% in 2016 (*Chart 2b*). It is worth noting that more than 90% of these part-timers actually engaged in part-time jobs voluntarily in 2016. In fact, the elderly underemployment rate in 2016, at 1.5%, was at the lowest level since 1997. Even for full-time elderly workers, the average weekly working hours⁽²⁾ also dropped from 52 hours in 1996 to 47 hours in 2016. All these suggested that the elderly workers these days generally had greater autonomy in shaping their mode of working that met their circumstances, while also with both pay and working conditions improved in overall terms when comparing with their counterparts of previous birth cohorts.

(2) Based on General Household Survey, weekly hours of work refer to hours of work during the seven days before enumeration.

Box 6.1 (Cont'd)**Unemployment situation of the elderly**

The elderly unemployment rate largely moved together with, albeit consistently lower than, the overall figure (*Chart 3*). This is understandable as the elderly people might choose to retire from or not to enter the labour market if no desirable jobs are available, more so for those without any immediate financial needs. In 2016, the number of unemployed elderly was still small, averaging around 7 100, accounting for about 5% of total unemployment. Nevertheless, the corresponding percentage was only around 3% during the years before SMW implementation. The increase was conceivably attributable to the more active labour force participation among elderly people.

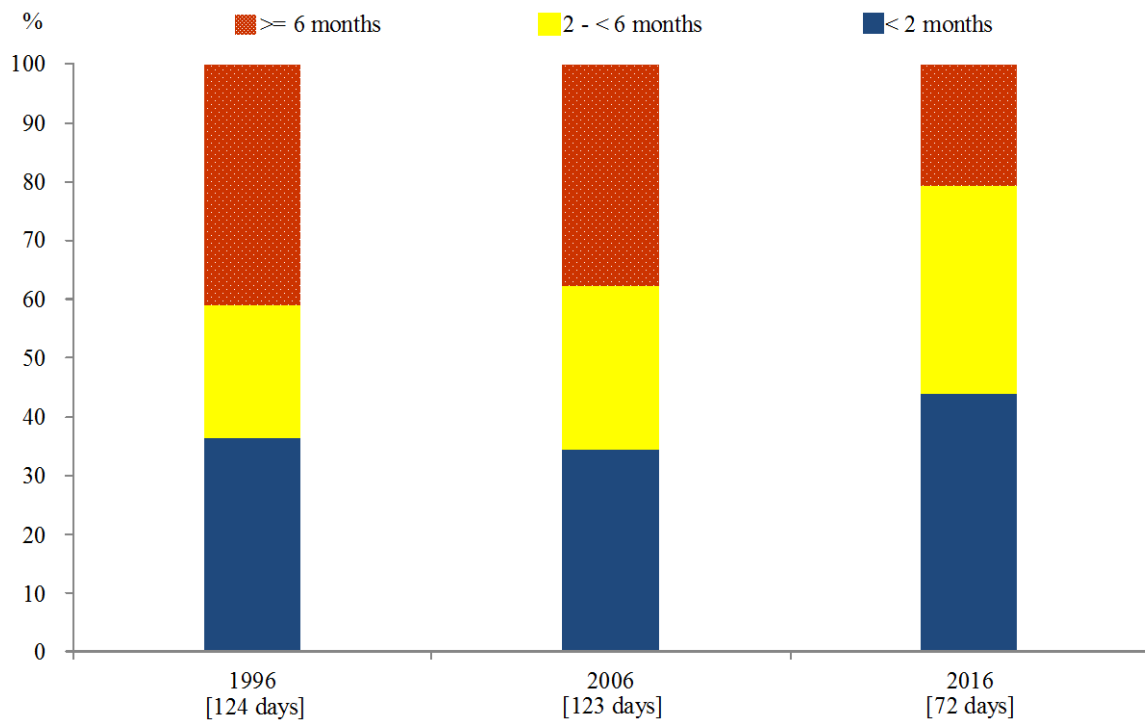
Chart 3: Elderly unemployment over time

Source: General Household Survey, C&SD.

However, thanks to the generally favourable and stable labour market conditions in recent years, the duration of unemployment of unemployed elderly people nowadays was shorter as compared to earlier birth cohorts. In 1996, despite the very low elderly unemployment rate, the median duration of elderly unemployment was over four months (124 days), which was 72% longer than that of the overall unemployed persons. Yet in 2016, the respective figure went down to less than three months (72 days), and was largely comparable to that of overall unemployed persons. In fact, over 40% of the elderly unemployed persons managed to find new jobs within two months. In addition, the proportion of long-term unemployment (i.e. duration of unemployment longer than 6 months) among the unemployed elderlies in 2016 was some 20 percentage points lower than that in 1996 and 2006 (*Chart 4*).

Box 6.1 (Cont'd)

Chart 4: Duration of elderly unemployment



Note: Figures in brackets denote the median duration of elderly unemployment in the respective reference years.
 Source: General Household Survey, C&SD.

Final Remarks

With the local labour force set to dwindle sooner or later amid an ageing population, it is useful to promote elderly employment as one of the ways to boost our labour supply. Analysing the employment characteristics of the elderly is crucial in enhancing relevant employment support services for these job seekers to help address such future challenges. Indeed, the elderly people nowadays, with better educational attainments and higher skill levels, displayed stronger intentions to stay in the labour market.

The Government actively assists the elderly people to participate in the labour market. On the employment support front, aside from setting up special counters for mature job seekers in Labour Department's (LD) job centres to provide priority registration and job referral services, LD organises employment briefings and thematic job fairs targeted at mature job seekers as well as experience-sharing sessions for employers to promote employment of mature persons. Moreover, LD provides on-the-job training allowance to employers for full-time or part-time employees engaged under the Employment Programme for the Middle-aged to encourage them to hire job seekers aged 40 or above. Looking ahead, the Government will continue to roll out and enhance relevant measures to encourage the elderly people to actualise their career aspirations after passing their "half time". This does not only help individuals to continue to contribute to the community, but will also help build a more inclusive society at large.