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Wage, Job Satisfaction, and Loan Source

What Factors Influence the Financial Conditions of Hong Kong's Migrant Domestic Workers?

ECON 2901C Guided Study in Current Economic Problems I

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Abstract

Making up 5% of Hong Kong's total population, migrant domestic workers (MDWs) are a demographic that make significant economic contributions to the city but face a number of financial inclusion barriers. In this study, I analyze the factors that influence the financial conditions of MDWs such as monthly wage, job satisfaction, debt status, and loan source, using data from an independently created and distributed survey answered by 180 MDWs. Linear, logistic, and multinomial logistic regression analysis models were adopted to assess the statistical significance of the factors. Ultimately, it was found that age and increased family needs from the COVID-19 pandemic significantly influenced monthly wage; monthly wage significantly influenced job satisfaction; having children significantly influenced debt status; having children significantly influenced taking loans from employers; and bank account ownership significantly influenced taking loans from banks. The study concludes with policy recommendations.

Keywords: migrant domestic workers, financial conditions, monthly wage, job satisfaction, debt, loan

I. Background

By definition, migrant domestic workers are migrant individuals who engage in work performed in or for a household within an employment relationship (International Labour Organization, 2011). In Hong Kong's case, as of March 2021, there are **370,000 migrant domestic workers (MDWs)** currently employed in the city (Census and Statistics Department, HKSAR, 2021). From a demographic standpoint, 98.5% of them are women; by country of origin, 55% are from the Philippines, 43% are from Indonesia, and the remaining 2% are from countries such as India, Thailand, Sri Lanka, and Bangladesh (HKSAR Immigration Department, 2020); by age, 31% are 18-34 years old, 67% are 35-50 years old, and 2% are 51-69 years old (Enrich HK and Experian, 2019); and by level of education, 33% graduated from university, 45% graduated from high school, and remaining 22% graduated from middle school, primary school, or others (Enrich HK and Experian, 2019). Comprising about 5% of the city's entire population and employed by more than 12% of Hong Kong's households, despite such large demographic proportions, these numbers are projected to rise, as population ageing continues to occur within the city's population. As mentioned by the Secretary for Labour and Welfare, Dr Law Chi-kwong, the demand for MDWs is expected to grow to **over 600,000 by 2047** (South China Morning Post, 2017).

But as demand continues to rise in this growing section of the labour population, MDWs are currently still subject to laws that constrain their employment conditions in Hong Kong. Most notable is the city-wide "Live-in Rule" which, implemented in 2003, legally requires all MDWs to live in the households of their current employers (HKSAR Government, 2020). As a result of this law, it has been found that MDWs "*tend to work longer hours with an unspecified workload while living in the same place that they work in, making it difficult to mentally separate work from private time*" (Fong & Yeoh, 2020). In one study from a leading local charity, Mission for Migrant Workers (2017), that investigated the living accommodations of MDWs, it was found that three out of five MDWs (up to **220,000 MDWs**) did not have their own room to sleep in. This comes as no surprise however, as almost **90% of all MDW employer households** are sized at 4 people or less (Census and Statistics Department, HKSAR, 2021).

Furthermore, economic constraints also exist. Despite working up to 16 hours a day, 6 days a week (HelperChoice, 2022), which sums up to **more than double of the typical 40-hour work week** stipulated in most other employment contracts, the legal minimum wage for MDWs, as of September 2019, is HK\$4630 per month (HKSAR Government, 2019). Assuming a 96-hour work week, MDWs' hourly minimum wage is ~HK\$12 per hour, which is **less than one-third of the statutory minimum wage** for Hong Kong's other, non-domestic workers (HK\$37.5 per hour). On average however, MDWs earn HK\$5144 per month (HelperChoice and Enrich HK, 2021) – only 11% higher than minimum wage. Taken together with the Live-in Rule, it is observed that MDWs today, despite their growing demographic significance, are still subject to legal and economic barriers.

Additionally, since the COVID-19 pandemic, MDWs have experienced further financial downturns, as a result of costly immigration requirements like nucleic acid tests and 21-day hotel quarantines (HKSAR Government, 2020). In a joint survey between job-matching platform HelperChoice and financial education charity Enrich HK, it was found that 69% of MDWs in the sample have been financially affected by the pandemic (HelperChoice and Enrich HK, 2021). Furthermore, when asked *“Do you feel more stressed as a result of your financial situation during Covid?”*, up to 61% of the respondents answered yes. These striking survey findings thus prompt me to investigate (1) the current financial conditions of Hong Kong's migrant domestic workers, exactly 2 years now since the first wave of the COVID-19 pandemic, and (2) the factors affecting such.

II. Literature Review

When reviewing relevant academic research papers conducted to provide insight on the economic conditions of MDWs, three major reports had surfaced.

First, in a 2018 quantitative report jointly prepared by Enrich HK and multinational market research company Experian (2019), entitled “The Value of Care”, that assessed the economic inclusion and contributions of Hong Kong’s MDWs, it was found that **less than 20% of MDWs own a bank account**. Furthermore, it was found that MDWs provide a significant contribution to Hong Kong’s overall economy. More precisely, the economic contribution of the city’s more than 385,000 MDWs to its economy accounted for up to **3.6%** of the region’s total GDP in 2018 – an estimated USD\$12.6 billion, or **almost HK\$100 billion** in value (Enrich HK and Experian, 2019). This number was calculated as a sum of three broad categories of economic activity: (1) absolute value of personal expenditure / direct contribution (HK\$7.6 billion), (2) real value of “paid” domestic work (HK\$71.2 billion), and (3) value of freed-up time (HK\$20.1 billion). In particular, the HKD71.2-billion “real value of paid domestic work” calculation was created based on a comprehensive real cost sum calculation of all major domestic worker tasks (such as cleaning and cooking) on a 300-workday year. The following table (Figure 1) summarizes this calculation in detail:

Table 1 Real Value of “Paid” Domestic Work (2018 Estimated Calculation)

2 REAL VALUE OF PAID DOMESTIC WORK			
Economic contribution of migrant domestic workers to Hong Kong	Activities	Number of hrs spent by MDWs per activity	Yearly Real Value of Paid Domestic Work done by MDWs (HKD)
	Cleaning	2.60	36,782.20
	Cooking	1.72	41,417.60
	Washing/Ironing	1.54	21,786.38
	Shopping	1.11	20,046.60
	Childcare	3.85	46,354.00
	Elderly care	1.27	16,055.34
	Pet care	0.21	2,528.40
	Total	12.29	184,970.52
	Number of MDWs		385,000
Total Real Value of Paid Domestic Work per year		71,213,650,200	

Source: Real Value of Hong Kong MDWs’ “Paid” Domestic Work Calculation 2018. Reprinted from *The Value of Care*, by Enrich HK and Experian, 2018, Enrich HK and Experian (https://enrichhk.org/sites/default/files/2019-09/Final_The-Value-of-Care_Full-Report.pdf).

After confirming the profound economic contributions MDWs make to Hong Kong's economy, it was also sought to better understand the current financial and employment conditions of MDWs in the context of the COVID-19 pandemic. Two highly noteworthy qualitative and quantitative studies from Lui et al. (2021) and HelperChoice (2021) provide an added layer of insight to this discourse. In a qualitative study by Lui et al. (2021) that – held via 15 30-minute individual interviews with MDW respondents – aimed to better understand MDW employment conditions, it was found that the greatest changes to MDWs' work situations since the COVID-19 pandemic was *“how their employers treated them, as well as their employment status”*. From this study, it is observed that **monthly wage** and **job satisfaction** might be some of the most negatively impacted MDW variables during the pandemic, which were chosen to receive further study.

On top of monthly wage and job satisfaction, **debt** is another variable highly raised in recent literature. In a 2021, 814-respondent survey by online platform HelperChoice and Enrich HK (2021), it was found that almost 60% of all MDW respondents declared to have taken a loan in the past. What's even more staggering is that among these 60%, 34% of respondents were reported to be paying between HK\$2000 to HK\$4000 in monthly installments for their debt repayments, while a staggering **21% pay over HK\$4000 in loan debt per month** (almost 80% of the citywide average monthly wage). In the context of COVID-19, it was further found that **2 in 5 MDWs** declared having greater expenses as a result of the pandemic and **3 in 5 MDWs** feel more psychologically stressed as a result of their financial conditions during the pandemic.

Thus, taking together the findings of recent relevant literature on the financial conditions of MDWs, I am compelled to study three key areas:

- 1) *The factors affecting monthly wage;*
- 2) *The factors affecting job satisfaction; and*
- 3) *The factors affecting debt status and loan sources.*

III. Hypothesis

By attempting to elucidate and study the greatest factors that influence the financial conditions of migrant domestic workers, in a particularly unprecedented time of the present COVID-19 pandemic, it is believed that a number of relevant conclusions and policy implications can be formulated for future application.

That being said, firstly, it is expected that age is the greatest MDW-affiliated factor that positively affects monthly wage, assuming that most MDWs enter foreign employment environments (i.e., Hong Kong and employer's home) and start work in their younger years and accrue experience; secondly, it is expected that monthly wage and being in debt are two factors that (positively and negatively, respectively) most greatly affect job satisfaction; and thirdly, it is expected that debt status among MDWs is most positively contingent on having children, and that both being college-educated and owning a bank account greatly increase the likelihood of MDWs' main loan source/s being banks and companies. As less than 20% of the MDW population own a local bank account (Enrich HK and Experian, 2019), policy implications in this regard are expected to be covered. The following section covers the methodology of this quantitative research.

IV. Data Collection and Analysis

In order to analyze the factors that most significantly affect the financial conditions of MDWs – monthly wage, job satisfaction, debt status, and loan sources – an online, 22-question survey asking for demographic and financial information was created. Translated by the researcher to both Tagalog and Bahasa Indonesia, the two most prominent languages among MDWs in Hong Kong, the online survey was randomly shared and distributed to socially active groups on online social media site Facebook from February 21 to 25, via personal MDW community connections, and answered by a total of 180 respondents for analysis. The following two tables (Figures 2 and 3) summarize the data gathered from the respondents – divided into demographic and economic variables.

Table 2 Demographic Variables (6 Questions)

Variable (n = 180)	Answer Summary
Country of Origin	<ul style="list-style-type: none"> ○ Philippines: 168 (93%) ○ Indonesia: 12 (7%)
Age	<ul style="list-style-type: none"> ○ 18-34: 46 (26%) ○ 35-50: 125 (69%) ○ 51-69: 9 (5%)
Highest Education Level	<ul style="list-style-type: none"> ○ College / University: 101 (56%) ○ High school: 67 (37%) ○ Middle school: 8 (5%) ○ Others: 3 (2%)
Marital Status	<ul style="list-style-type: none"> ○ Married: 84 (47%) ○ Single: 69 (38%) ○ Divorced: 2 (1%) ○ Separated: 18 (10%) ○ Widowed: 7 (4%)
Have Children	<ul style="list-style-type: none"> ○ Yes: 146 (81%) ○ No: 34 (19%)
Home Country Neighborhood	<ul style="list-style-type: none"> ○ Rural (village / farm / province): 124 (69%) ○ Urban (city / town / suburbs): 56 (31%)

Based on the demographic data in Figure 2, the majority of respondents (over 50%) completed education up to university level. This is perhaps reflective of how tertiary-level job opportunities in the home countries of the respondents (i.e., the Philippines and Indonesia) are not as financially lucrative as those as a Hong Kong MDW. Besides this, up to three quarters of the respondents are 35-years old and older; over 4 in 5 respondents have children (most probably in their home countries); and almost 70% are from rural neighbourhood backgrounds.

Table 3 Economic Variables (16 Questions)

Variable (n = 180)	Answer Summary
Monthly Wage	<ul style="list-style-type: none"> ○ Mean: HK\$4946 ○ Median: HK\$4630 ○ Number of respondents paid HK\$4630 (legal minimum wage) and below: 100 (55%)
Bank Account Ownership	<ul style="list-style-type: none"> ○ Yes: 104 (58%) ○ No: 76 (42%)
In Debt (and amount, if yes)	<ul style="list-style-type: none"> ○ Yes: 73 (41%) <ul style="list-style-type: none"> a. Mean: HK\$20011.69 b. Median: HK\$18000 ○ No: 107 (59%)
Side Business Ownership	<ul style="list-style-type: none"> ○ Yes: 3 (2%) ○ No: 177 (98%)
Primary Loan Source	<ul style="list-style-type: none"> ○ Banks and companies: 56 (31%) ○ Brokers and agencies: 4 (2%) ○ Employer: 45 (25%) ○ Family / Friends: 75 (42%)
Job Satisfaction (1 to 10)	<ul style="list-style-type: none"> ○ Mean: 7 (out of 10) ○ Median: 8 (out of 10)
Debt Increased Since COVID-19	<ul style="list-style-type: none"> ○ Yes: 21 (11.7%) ○ No: 159 (88.3%)
Monthly Wage Decreased Since COVID-19	<ul style="list-style-type: none"> ○ Yes: 14 (7.8%) ○ No: 166 (92.2%)
Family Needs Increased Since COVID-19	<ul style="list-style-type: none"> ○ Yes: 141 (78.3%) ○ No: 39 (21.7%)

Based on the economic variable data summarized in Figure 3, a noteworthy

observation is that the mean monthly wage of the MDW respondents is HK\$4946, which is approximately just HK\$300 higher than the legal minimum wage for MDWs of HK\$4630. More strikingly found is that the medium monthly wage is exactly minimum wage itself, with more than 50% of all respondents reported to be paid HK\$4630, or even below (which is illegal). Furthermore, more than 40% of respondents did not own a bank account, which is almost half the number report by the 2018 Enrich and Experian report (81%); regardless, this is still a high number. Another striking finding is that over 40% of respondents were reported to be in debt, with the median debt amount being HK\$18000 – which equals more than 3.5 times the monthly average wage of all respondents. When asked for the source of such loan debts, however, the sources were primarily split three-way among the respondents' family or friends (42%), banks (31%), and employer (25%). It was also found that, unsurprisingly, more than three quarters of respondents stated that their family needs had increased since the start of the COVID-19 pandemic. What does come as a surprise, however, is that – despite such financial difficulties – most respondents generally have high job satisfaction, with a median job satisfaction score of 8 (out of 10). Thus, econometric analyses were adopted to find out, among the 22 total variables, which factors significantly affect MDWs' monthly wage, job satisfaction, debt status, and loan sources.

Some limitations to the online survey, data collection process, and respondent composition, which would serve as improvement areas in subsequent studies, exist. In particular, (1) a sample size greater than 180 would be more representative; (2) more than 13 Indonesian respondents, along with asking other MDW nationalities besides Filipino respondents, would be recommended; and (3) one variable that should also be asked in a survey is “Years of Work Experience”, as such is suspected by the researcher to be potentially associated with monthly wage, job satisfaction, bank account ownership, debt status, and loan sources.

V. Empirical Methodology

To elucidate the variables that affect the financial conditions of MDWs and estimate their parameter effects, four regression models were constructed using the statistical software Stata. Selected demographic and financial variables were regressed on “Monthly Wage” (continuous), “Job Satisfaction” (discrete), “In Debt”

(dummy), and “Loan Source” (categorical) as dependent variables.

The first econometric model adopted was a multivariable linear regression on the respondents’ **monthly wage**. The model is as follows:

$$\begin{aligned} \text{MonthlySalary}_i & \\ &= \beta_0 + \beta_1 \text{Age}_i + \beta_2 \text{HaveChildren}_i + \beta_3 \text{Urban}_i \\ &+ \beta_4 \text{CovidNeeds}_i + \beta_5 \text{College}_i + \beta_6 \text{Married}_i \end{aligned}$$

Where MonthlySalary_i denotes the monthly wage of respondent i ; Age_i denotes the age of respondent i ; HaveChildren_i denotes whether respondent i has children; Urban_i denotes whether respondent i comes from an urban home country neighbourhood; CovidNeeds_i denotes whether respondent i ’s family needs increased since the COVID pandemic, College_i denotes whether respondent i is college-educated; and Married_i denotes whether respondent i is married.

The second econometric model adopted was a multivariable linear regression on the respondents’ **job satisfaction score**. The model is as follows:

$$\begin{aligned} \text{JobSatisfaction}_i & \\ &= \beta_0 + \beta_1 \ln(\text{MonthlySalary}_i) + \beta_2 \text{Age}_i + \beta_3 \text{CovidNeeds}_i \\ &+ \beta_4 \text{InDebt}_i \end{aligned}$$

Where JobSatisfaction_i denotes the job satisfaction of respondent i (between 0 and 10); $\ln(\text{MonthlySalary}_i)$ denotes the monthly wage of respondent i in logarithmic terms; Age_i denotes the age of respondent i ; CovidNeeds_i denotes whether respondent i ’s family needs increased since the COVID pandemic; and InDebt_i denotes whether respondent i is currently in debt.

The third econometric model adopted was a multivariable logistic regression on the respondents’ **debt status**. The model is as follows:

$$\begin{aligned} \text{Pr}(\text{InDebt}_i & \\ &= 1 \mid \text{MonthlySalary}_i, \text{HaveChildren}_i, \text{Age}_i, \text{BankAccount}_i, \text{CovidNeeds}_i) \\ &= F(\beta_0 + \beta_1 \text{MonthlySalary}_i + \beta_2 \text{HaveChildren}_i + \beta_3 \text{Age}_i \\ &+ \beta_4 \text{BankAccount}_i + \beta_5 \text{CovidNeeds}_i) \\ &= \frac{1}{1 + e^{-(\beta_0 + \beta_1 \text{MonthlySalary}_i + \beta_2 \text{HaveChildren}_i + \beta_3 \text{Age}_i + \beta_4 \text{BankAccount}_i + \beta_5 \text{CovidNeeds}_i)}} \end{aligned}$$

Where $InDebt_i$ denotes whether respondent i is in debt, $MonthlySalary_i$ denotes the monthly wage of respondent i ; $HaveChildren_i$ denotes whether respondent i has children; Age_i denotes the age of respondent i ; $BankAccount_i$ denotes whether respondent i owns a bank account; and $CovidNeeds_i$ denotes whether respondent i 's family needs increased since the COVID pandemic.

The fourth econometric model adopted was a multinomial logistic (MNL) regression on the respondents' **loan source**, which is a categorical variable of four total choices, namely "Family / Friends", "Banks and companies", "Brokers and agencies", and "Employer". Setting the "Family / Friends" ($j = 1$) choice as the base outcome, whereby $\beta^1 = 0$, the MNL model is as follows:

$$\Pr(LoanSource_i^j = 1) = \frac{e^{X\beta^1}}{e^{X\beta^1} + e^{X\beta^2} + e^{X\beta^3} + e^{X\beta^4}} = \frac{1}{1 + e^{X\beta^2} + e^{X\beta^3} + e^{X\beta^4}}$$

$$\Pr(LoanSource_i^j = 2) = \frac{e^{X\beta^2}}{1 + e^{X\beta^2} + e^{X\beta^3} + e^{X\beta^4}}$$

$$\Pr(LoanSource_i^j = 3) = \frac{e^{X\beta^3}}{1 + e^{X\beta^2} + e^{X\beta^3} + e^{X\beta^4}}$$

$$\Pr(LoanSource_i^j = 4) = \frac{e^{X\beta^4}}{1 + e^{X\beta^2} + e^{X\beta^3} + e^{X\beta^4}}$$

Where $LoanSource_i^j$ denotes the primary loan source j of respondent i , across Family / Friends ($j = 1$), Banks and companies ($j = 2$), Brokers and agencies ($j = 3$), or Employer ($j = 4$); $\beta^1, \beta^2, \beta^3$, and β^4 each denote the set of estimation parameters corresponding to respondent i with primary loan source j ; and X denotes the set of regressors in the model which, similar to the previous models, are the following: $JobSatisfaction_i^j$, $College_i^j$, $HaveChildren_i^j$, $Married_i^j$, $BankAccount_i^j$, and $Rural_i^j$ (which denotes whether respondent i with primary loan source j comes from a rural home country neighbourhood).

VI. Results

The regression model results and key finding elaborations to each of the four models can be found in the sections below:

Table 4 Linear Regression on Factors Affecting MDW Monthly Wage (HK\$)

Regressor	Coefficient (Standard Error)
Age	19.57** (6.47)
Have Children	66.99 (107.52)
Urban Home Country Neighbourhood	139.76 (95.06)
Family Needs Increased Since COVID-19	-238.69* (102.72)
College-Educated	-15.25 (87.06)
Married	-127.98 (85.99)
Constant	4362.58 (273.06)
Observations	180
R-squared	0.11
** significant at the 99% level	
* significant at the 95% level	

From the first model, it is found that age (at 99% level) and increase family needs (at 95% level) are two factors that influenced the monthly wage of MDWs. MDWs that are older by 1 year tend to have close to HK\$20 more in monthly wage. Also, MDWs whose family needs increased due to the COVID-19 pandemic tend to have almost HK\$240 less monthly wage, perhaps from lower bargaining power.

Table 5 Linear Regression on Factors Affecting MDW Job Satisfaction

Regressor	Coefficient (Standard Error)
ln(Monthly Wage in HK\$)	3.51* (1.76)
Age	-0.04 (0.03)
Family Needs Increased Since COVID-19	-0.40 (0.43)
In Debt	-0.47 (0.35)
Constant	-20.49 (14.79)
Observations	180
R-squared	0.05
* significant at the 95% level	

From the second model, it is found that monthly wage (at 95% level) is a factor that greatly and significantly influences job satisfaction among MDWs. In logarithmic terms, a 1% increase in monthly wage tends to bring a 3.5% increase in job satisfaction, which would exactly equal to 0.35 on the 1-10 job satisfaction scoring scale. This finding perhaps would make sense, as the great majority of MDWs in Hong Kong migrate to the city for the sole purpose of seeking greener pastures, as the main breadwinners of their home country families, and sending such amounts back to their families.

The final two, logistic models extract the factors influencing MDW debt.

Table 6 Logistic Regression on Factors Affecting MDW Debt Status

Regressor	Odds Ratio (Standard Error)
Monthly Wage in HK\$	1.00 (0.00)
Have Children	3.08** (1.39)
Age	1.00 (0.02)
Bank Account Ownership	1.10 (0.35)
Family Needs Increased Since COVID-19	1.98 (0.78)
Constant	0.08 (0.13)
Observations	180
R-squared	0.04
** significant at the 99% level	

From the third model, converting the regression coefficients to their exponential-form odds ratios, it is found that MDWs that have children are strikingly more likely to be in debt. At the 99% significance level, those that have children are more than 3 times more likely to be in debt as opposed to those that do not. This finding would make sense, as children present themselves as large – if not the largest – financial responsibilities most MDWs undertake as primary breadwinners for their families in their home countries. Furthermore, a shocking finding is that having increased needs due to COVID-19 is not found to be a significant factor influencing debt status among the MDW respondents.

Table 7 Multinomial Logistic Regression on Factors Affecting MDW Loan Sources

Loan Sources: <i>Family / Friends</i> = 1, <i>Banks and companies</i> = 2, <i>Brokers and agencies</i> = 3, and <i>Employer</i> = 4			
Base Outcome: <i>Family / Friends</i>			
	Banks and companies	Employer	Brokers and agencies
Regressor	Odds Ratio (Standard Ratio)		
College-Educated	1.35 (0.38)	1.72 (0.42)	5.00 (3.36)
Have Children	2.65 (0.51)	3.19* (1.76)	4.65 (4.45)
Married	-1.21 (0.39)	-1.37 (1.52)	-1.58 (2.93)
Rural Home Country Neighbourhood	1.12 (0.42)	-2.02 (1.53)	4.36 (3.18)
Job Satisfaction	-1.04 (0.08)	1.13 (1.09)	1.34 (1.35)
Bank Account Ownership	2.18* (0.38)	1.56 (1.49)	-1.09 (2.91)
Constant	-3.97 (0.38)	-9.68 (2.58)	-34.08 (6.61)
Observations	180		
R-squared	0.06		
* significant at the 95% level			

From the fourth model, converting the coefficients to exponential-form odds ratios, two influential factors emerged at the 95% level. Establishing taking loans from family or friends as the base outcome, it was found that MDWs who own bank accounts are over 2 times more likely to primarily take loans from banks as opposed to their family or friends. MDWs who have children are also over 3 times more likely to take loans from their employer over family or friends.

VII. Conclusion and Policy Recommendations

This research paper used linear, logistic, and multinomial logistic regression analyses to elucidate the factors that influence the employment and financial conditions of Hong Kong's migrant domestic workers (MDWs), in particular monthly wage, job satisfaction, debt, and loan source. In light of the COVID-19 pandemic, it is proven that MDWs and their families have been significantly impacted, but the older and more experienced MDWs tend to have greater financial resources on the table (see Table 4). Money, more than anything, is the single most important motivator for MDWs to cross international borders and work in Hong Kong's homes (see Table 5), especially those with children who are more likely to go into debt (see Table 6). And in seeking further financial resources, MDWs with children (which made up 81% of this study's sample) are 3 times more likely to seek loans from their employers over their friends and family (see Table 7), which might be reflective of greater ability to relate to employers, who commonly hire MDWs to take care of children of their own.

One major policy implication this study gives rise to revolves around the financial inclusion of MDWs in Hong Kong's economy. With up to 80% of all MDWs who have yet to own a bank account (Enrich HK and Experian, 2019), this study showed that those who do own a bank account are 2 times more likely to seek loans from established financial sources like banks over friends or family (see Table 7). Thus, implementing policy that promote local bank account ownership among the city's 370,000 MDWs is highly recommended to address this gap.

However, beyond implementation, policy enforcement is just as important. Referring to the HelperChoice and Enrich HK survey (2021) – where 67% of all respondents were found to be charged excess agency placement fees – when asked, “Why did you not report such illegal actions being taken?”, most answered that, *“They did not know they could do anything about the situation”*. Thus, this finding reveals that successful MDW fiscal policy lies not solely on the implementation stage, but also on the enforcement stage, to enact substantial behavioral change in the MDW population, for a complete multiplier effect to effectively take place.

To prove that enforcement is effective, in a 2017 quasi-experimental study that analyzed the impact of Enrich HK, Hong Kong's leading MDW financial

education charity, on the financial literacy levels of MDWs, it was found that as a direct result of financial education training from Enrich , up to 87% of respondents in the intervention group had started working on a savings plan to achieve specific financial goals (Department of Social Work, CUHK, 2017). What this shows is that enforcing policy through the establishment of training programs might prove to be successful in educating MDWs about opening a bank account. Organizations like Enrich HK exist to serve this need, but there is a problem of scale: in 2020, Enrich – being the only MDW financial education charity in Hong Kong, hosted education programs for just 2632 MDWs (Enrich HK, 2021), making up only a little over 1% of the total number of MDWs in Hong Kong that are potentially in debt today, of 214,600 MDWs (HelperChoice and Enrich HK, 2021).

It is thus recommended that the Hong Kong Social Welfare Department play a larger role to support NGOs in advancing MDW financial inclusion, starting with advancing bank account ownership. Though government-funded subsidies may prove to be helpful, it is recommended to advance large-scale “domestic helper financial education” programs that train MDWs to open bank accounts and develop regular money saving habits. Through this paper, it can be proven that policy implementation, coupled with effective enforcement, can indeed advance the financial conditions of Hong Kong’s migrant domestic workers.

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