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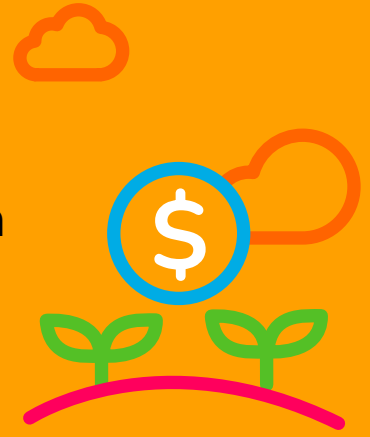
香港賽馬會慈善信託基金
The Hong Kong Jockey Club
Charities Trust

Accelerating the Urban Graduation Approach for Poverty Alleviation: The First-time Application in Urban Settings



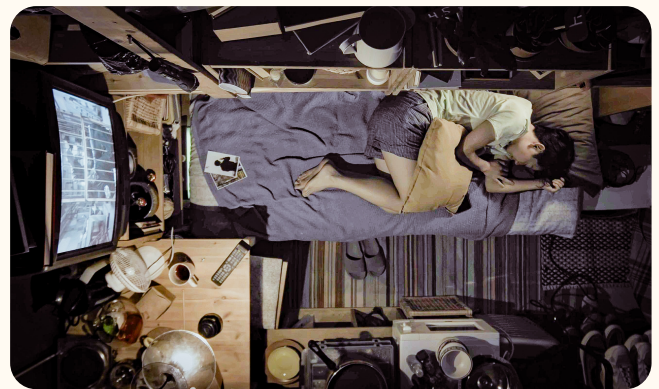
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Over the past two decades, the Graduation Approach (GA) has become one of the most evidence-based and replicable approaches to rural poverty alleviation.



The Graduation Approach originated in 2002 when BRAC¹ launched the Targeting the Ultra Poor (TUP) programme, aimed at helping individuals escape extreme poverty.

The model has been refined and piloted across different countries and cultures, predominantly in rural villages, and tested through rigorous evaluations. Between 2006 and 2014, the Consultative Group to Assist the Poor (CGAP), a global partnership comprising over 35 leading development organisations including bilateral and multilateral donors, and Ford Foundation, piloted the approach for ten projects in eight countries.² A randomised controlled trial (RCT) led by Banerjee et al. studied six of the ten pilots and demonstrated the GA effectiveness and sustainability of impact, contributing to the authors winning the Nobel Prize in Economics in 2019 for their work on leveraging experimental methods to alleviating global poverty.³



In 2017, CGAP announced the Partnership for Economic Inclusion (PEI), a platform to scale-up the GA through government-run programmes. As of 2021, BRAC reports that there are over 100 Graduation Programmes in nearly 50 countries.



1. BRAC is an international development organisation founded in Bangladesh in 1972 that partners with over 100 million people living with inequality and poverty to create opportunities to realise human potential. <https://www.brac.net/who-we-are>
2. CGAP. Completion Report. Graduating the Poor.
3. Banerjee, A., Karlan, D., & Zinman, J. (2015). A multi-faceted programme causes lasting progress for the very poor. *Science*, 348(6236), 1260799. <https://doi.org/10.1126/science.1260799>

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Inspired by the Graduation Approach, The Hong Kong Jockey Club Charities Trust pioneered an Urban Graduation Approach (UGA) to uplift the poor in metropolitan settings that can be tailored to urban cities.

The GA works because it provides the multi-faceted support families need to escape poverty, coupled with regular community and mentorship support, typically over a 2-year period. It effectively acts as a “big, one-off, comprehensive push” out of poverty.

This is possible in rural areas because interventions take place in a village context, which provides a stable place and community for follow-ups. This context has been challenging to replicate in urban metropolitan areas, as the poor are not all in one place, and tend to be transient with lower social ties.

In addition to the challenge of a regular place for interventions, the components of the GA require tailoring to the urban context. In rural areas, livelihood promotion relies on agricultural entrepreneurship, which is not practical in urban contexts that require employment support. Urban poor face other challenges too, such as exorbitant rents, inadequate living conditions and poor mental health due to housing scarcity. They often face greater social exclusion because of the anonymity of city life and the stark contrast in living standards with wealthier urban residents.



HKSAR Government officials officiated at the JC PROJECT LIFT announcement ceremony. Present were Chief Secretary for Administration Chan Kwok-ki (3rd left), Secretary for Housing Winnie Ho (3rd right), Secretary for Labour and Welfare Chris Sun (2nd right), then Hong Kong Jockey Club Chairman Michael Lee (centre), Club Chairman Martin Liao (2nd left), Club Chief Executive Officer Winfried Engelbrecht-Bresges (1st right), and JC PROJECT LIFT Advisory Committee Convenor Clement Cheung (1st left).



In Hong Kong,

23.6%

of the population (1.65m people) with income less than 50% of Hong Kong's median household income

Unaffordable housing is a major driver of poverty in Hong Kong, with only 28% of the population able to access public rental housing.⁴ At least 110,000 families are estimated to be in the worse situation of living in inadequate sub-divided flats⁴, including approximately 34,000 children (persons aged below 14).⁵

The opportunity to create an UGA arose thanks to the Government's policy to roll out Transitional Housing (TH). The scheme provides affordable housing with subsidised rents for 2-3 years for individuals or families on the waiting list for public rental housing and those living in inadequate housing.⁶ This helps solve the housing challenge, since the transitional housing site effectively becomes the urban equivalent of a village. With the Government providing the funds to address the housing shortage, the HKJC Charities Trust seized the opportunity to design an UGA to complement Government policy and provide additional components critical to raising poor families out of poverty.

4. HKSAR Government. The Chief Executive's 2024 Policy Address. <https://www.policyaddress.gov.hk/2024/en/pl61.html>
5. Data from Census and Statistics Department (C&SD) as indicated in LCQ4: Children living in subdivided units (July, 2023).
6. Legislative Council Panel on Housing (2024): Background brief on the implementation of transitional housing. LC Paper No. CB(1)671/2024(06).

JC PROJECT LIFT aims to serve 14,000 families across 24 transitional housing and 2 light public housing sites.⁷ It was designed to retain the powerful principles of the GA (time-bound, multi-faceted, tailored to families) but tailored the five core components (mentoring, asset transfer, market-linked training, consumption support and community savings groups) to address the challenges of urban poverty alleviation in Hong Kong. Figure 1 below shows how the components of the UGA were inspired by the GA and tailored to Hong Kong's urban metropolitan context.

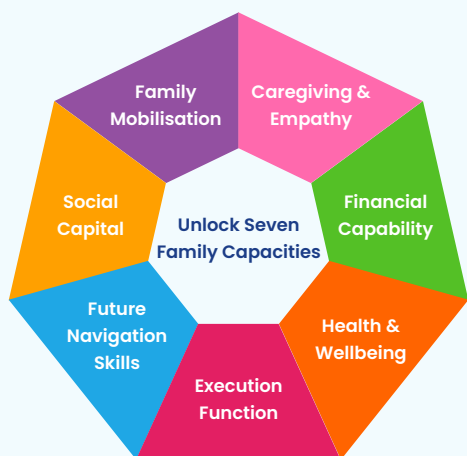


FIGURE 1: COMPONENTS OF UGA TAILORED TO HONG KONG'S METROPOLITAN URBAN CONTEXT

Components of GA	Pain Points of Metropolitan Poor in Hong Kong	Components of UGA	Tailored to Hong Kong Context
A "village"	1. Housing burden 33% of expenses in inadequately housed poor households goes on rental fees. ⁸ Housing unaffordability also negatively impacts physical and mental health. ⁹	Provision of Transitional Housing units	The rent of transitional housing is capped at 25% of household income which enables families to save on rental costs
Mentor	2. Weak social capital Local research shows that social exclusion is widespread in Hong Kong and the lack of access to informal support systems exacerbates the situation in times of adversities ¹⁰	Family Capacity Building Planner (FCBP)	Key role in UGA: as coaches to support and plan with families, coordinating interventions and building family capacities using a strength-based approach.
Market-linked Training	3. Trapped in low-end jobs Many are trapped in low-skill jobs with limited prospects and salary growth (54.1% of workers in the lowest income quintile had no earnings mobility after 10 years of work) ¹¹	Social Capital Building	FCBPs to foster a strong mutual support network and community bonding via activities and small groups
Asset Transfer	4. Poverty despite well-established social security Decade-high poverty despite record ratio of public social spending to GDP (5.9% in 2018-19), implying mismatch of existing resources ¹²	Market-linked Skills Training and Knowledge Transfer	Focus on building human capital, future-oriented career readiness, and access to jobs with mobility potential vs. entrepreneurship (which is less feasible in the urban context). Application of the VASK (Values, Attitudes, Skills and Knowledge) framework to facilitate better talent matching.
Consumption Support	5. Health inequality The poor have lower perceived health status; long waiting time for public health services ¹³	Employment-enabling Services & Subsidies	Funding to facilitate access to upskilling training qualifications (important assets in a knowledge society)
Community Savings Groups	6. Need for financial education Easy access to financial facilities, but requires financial literacy given overwhelming information and risk of frauds that largely affect the poor (42.6% growth in cases - 2023) ¹⁴	Bridging and "Top-up" Consumption Support	Bridging support to access Hong Kong's social safety net; additional "top-ups" to fill cracks that constrain employment (e.g. unmet primary care needs)
		Financial Planning and Savings	Higher-interest savings scheme to cultivate saving habits and financial literacy education to improve behaviours and protect against fraud

In tailoring the key components of UGA, attention was paid to leverage the distinct benefits of urban assets and capabilities toward poverty alleviation. Three key examples of leveraging urban advantages are below:

FIGURE 2: FAMILY CAPACITY BUILDING FRAMEWORK



The family as a unit is critical in urban settings, whereas in rural villages, internal migration may split up the family, and mentors often focus on individuals. This creates both challenges and opportunities in building capacity across the family, not just a key individual, and how to leverage this capacity to motivate and unlock livelihood potential. Therefore, the role of mentor was tailored to a new coaching role called "Family Capacity Building Planner" (FCBP) who takes a long-term and holistic lens to equip families to move out of poverty. Rather than adopting a problem or deficit lens, FCBP utilises a strength-based approach that unleash potentials of individual members, and focuses on seven core family capacities to enhance families' upward mobility. A family-based approach also encourages discussion and complementary inputs between different family members.

7. Light Public Housing helps to fill the short-term gap of public housing supply and improve the living conditions and quality of life of people living in inadequate housing at the soonest. It will mainly cater for applicants who have been on the waiting list for traditional public rental housing for three years or more, with priority given to family applicants.
 8. Oxfam: Research on the Living Conditions of Tenant Households Who Have Been on the Waiting List for Public Rental Housing for Over 3 Years.
 9. Chung et al. (2019): Housing affordability effects on physical and mental health: household survey in a population with the world's greatest housing affordability stress.
 10. Peter Saunders, Hung Wong & Wo Ping Wong (2014) Signposting disadvantage – social exclusion in Hong Kong, Journal of Asian Public Policy, 7(3), 3-17, DOI: 10.1080/17516234.2013.873338.
 11. LegCO Research Brief Issue No. 2 (2014 – 2015): Social mobility in Hong Kong.
 12. LegCO (2018-19): Fiscal sustainability of social welfare spending in selected places.
 13. Chung RY- N, Chung GK- K, Gordon D, et al. J Epidemiol Community Health (2020). Housing affordability effects on physical and mental health: household survey in a population with the world's greatest housing affordability stress.
 14. SCMP (2024): Deepfakes, crypto hoax, phishing and love scams: how Hongkongers paid HK\$9.18 bn to fraud.



In relation to livelihoods promotion, employment services are preferred over agricultural business and self-employment. In Hong Kong, the labour market is filled with low mobility jobs, but at the same time, there are also private sector agencies, well versed in on-site career support, soft skills training, and in creating new job roles that are under-fulfilled by the current job market. These agencies were engaged to act as Jockey Club Level-Up Empowerment Employment Centres (JC LUE-EC) that operate on a pay-for-success model with outcome-based incentives, with a Family Capacity Building Fund (FCBF) acting as the asset transfer for upgrading qualifications and skills development. Echoing FCBP's approach, JC LUE-EC partners also take a strength-based approach using the VASK (Values, Attitudes, Skills and Knowledge) model to increase successful talent matching and equipping families to navigate the changing job market.

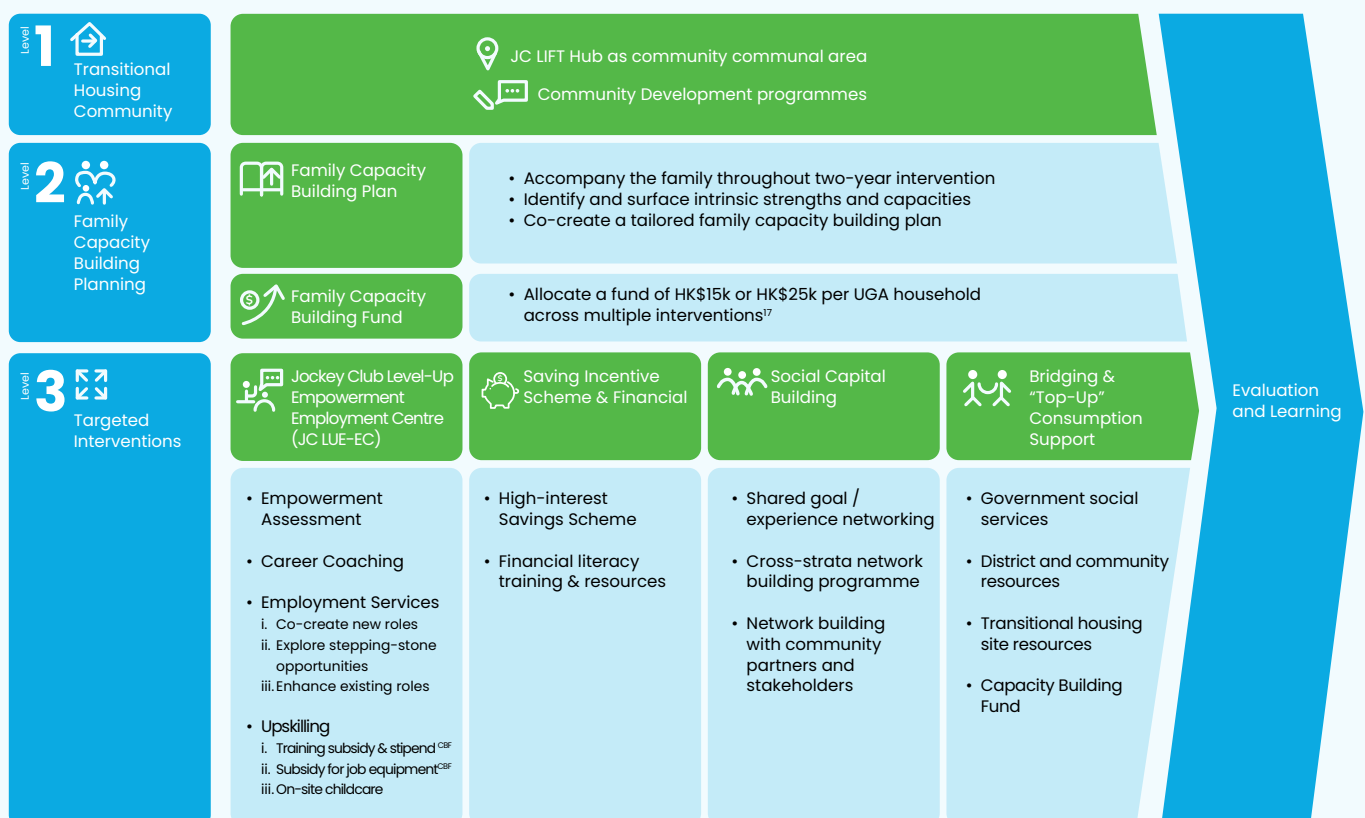


Saving is not a community group activity in urban settings, due to a different level of trust. However, in urban settings like Hong Kong, where financial services are easily accessible, 95% of the population is banked.¹⁵ Therefore, JC PROJECT LIFT established a banking partnership to offer a high-interest savings scheme with deposits offering 3% to 6% interest to provide incentive-based savings accounts and financial literacy training. As of June 2025, nearly 90% of the participating households who joined the savings plan have started to build a regular savings habit.¹⁶

The components of the UGA in JC PROJECT LIFT are structured in a three-level intervention framework as in Figure 3 below. Level 1 represents the place-based context of Transitional Housing which runs community development programmes and childcare to limit barriers to employment. Level 2 represents the FCBP who works with each family to

build a tailored plan and allocates the capacity building fund (HK\$15,000–HK\$25,000) to the interventions that are most needed. Level 3 represents the specific menu of interventions across employment, savings, social capital and bridging support.

FIGURE 3: COMPONENTS OF UGA IN A 3-LEVEL FRAMEWORK, AS DEMONSTRATED IN JC PROJECT LIFT



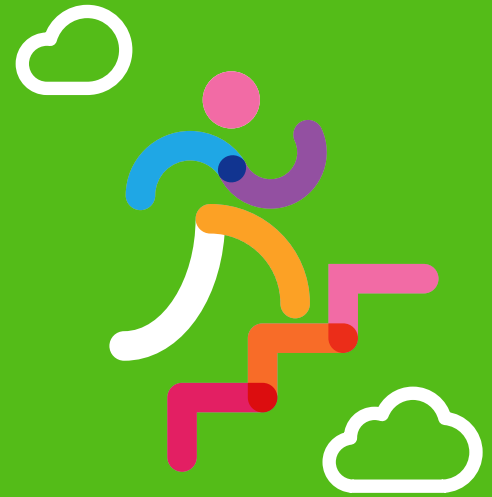
15. The World Bank Group (2017): G20 Financial Inclusion Indicators.

16. The data captured in June 2025 reflects progress only up to the end of April, due to a two-month reporting lag.

17. HK\$15,000 for households with 1-2 members and HK\$25,000 for households with 3 or more members.

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How can we rapidly accelerate the evidence on the “Urban Graduation Approach” to expedite the replicability and scalability of UGA for urban poverty alleviation?



While every context has its unique features, the structure and components of UGA are largely applicable and able to be tailored to other contexts targeting to uplift the poor in urban metropolitan settings. Affordable housing (Level 1), family-centred capacity building and planning (Level 2) and tailored, multi-faceted interventions (Level 3) that leverage the advantages of the metropolitan setting (employment services, banking, existing social safety nets etc.) will likely be central to programmes seeking to uplift the urban poor out of poverty.



International practitioners and stakeholders visited a Transitional Housing site of JC PROJECT LIFT. Notable attendees included Mr. Iqbal Dhaliwal, Global Executive Director of J-PAL, and Dr. Hossain Zillur Rahman, Chairperson of BRAC.

The Abdul Latif Jameel Poverty Action Lab (J-PAL) affiliated researchers at the University of Pennsylvania and a local researcher at the University of Hong Kong will lead and evaluate JC PROJECT LIFT with a RCT. The RCT will longitudinally measure primary outcomes including income, employment, savings, and reliance on welfare, as well as secondary outcomes including health and social capital metrics, over a 6-year period (beyond the two-year intervention period).

In addition to a RCT, studies will determine why and how it works and the cost effectiveness of JC PROJECT LIFT to inform systemic scaling in the Hong Kong context to Light Public Housing (the Government’s next phase of affordable housing) and other poverty alleviation services provided by the Government.¹⁸ This evidence base will also serve as inputs for funders and practitioners looking to tailor UGA in other urban metropolitan contexts grappling with urban poverty in both high and low-income contexts.

In addition to JC PROJECT LIFT, there is a growing movement of urban practitioners, inspired by the GA for urban contexts e.g., in Bangladesh and India for urban slum populations and peri-urban areas in Uganda and the Philippines.¹⁹ Building on this momentum, there is a strong opportunity to gather a global network of “UGA-explorers” and together with J-PAL, this network can expedite the development of global evidence for UGA to accelerate global efforts in urban poverty alleviation, starting with an inaugural convening tentatively in 2026.

18. Legislative Council Panel on Housing (2022): Light Public Housing. LC Paper No. CB(1)847/2022(01).

19. BRAC (2023): BRAC International Signs MoU with the Government of Bihar to Launch First Government-Led Urban Graduation Program in Asia; BRAC (2021): Adapting the Graduation approach for urban poverty.

JC PROJECT LIFT

Approved donation: HK\$720 million

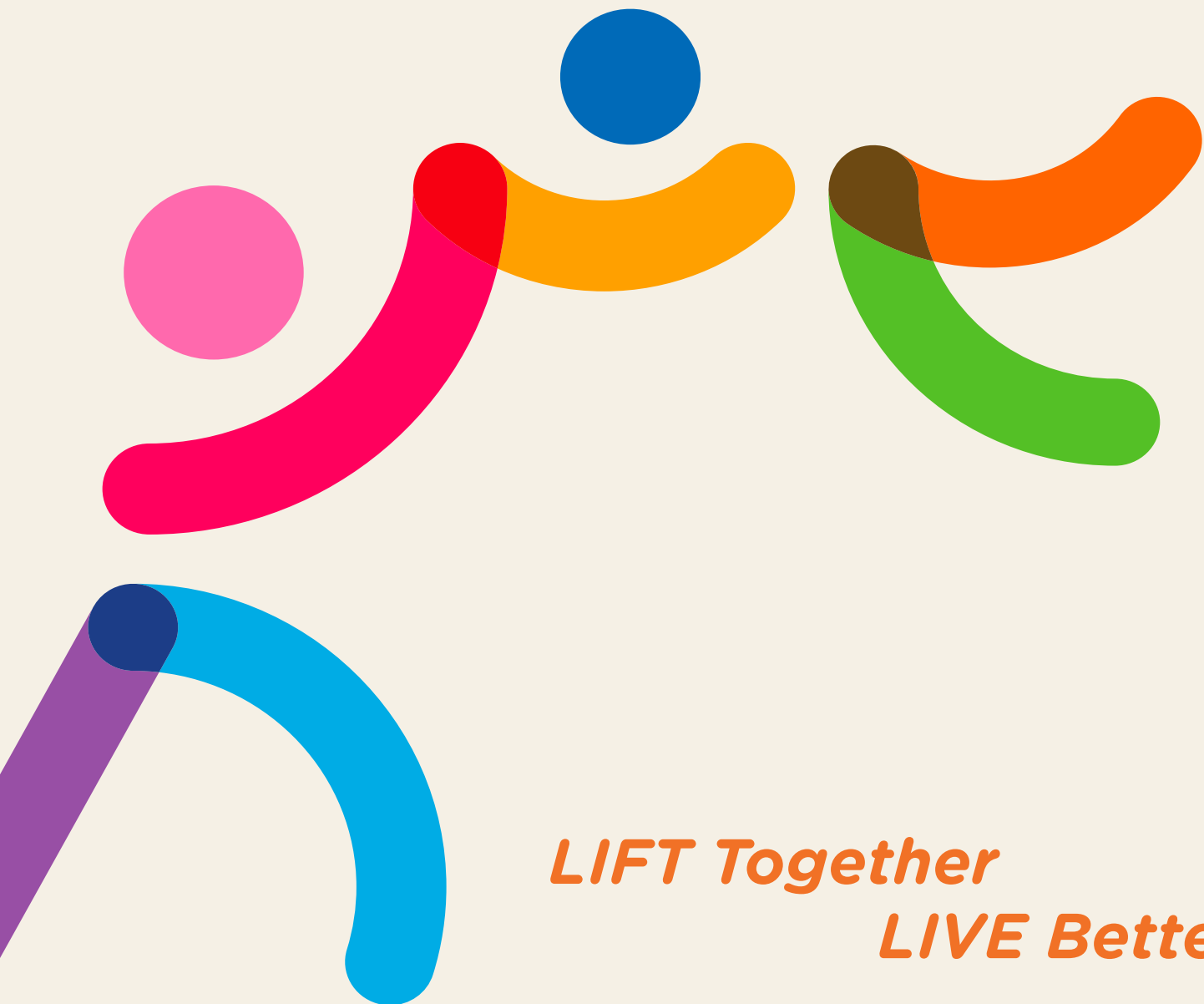
Project start date: August 2023

Project duration: 5 years



JC PROJECT LIFT aims to empower underprivileged families across 24 transitional housing and two light public housing projects by lifting them out of poverty. Referencing the award-winning Graduation Approach used in rural settings overseas, the programme is pioneering the Urban Graduation Approach (UGA), localising it to urban settings. The project is being run in collaboration with 18 NGOs and business partners and with support from the Housing Bureau and the Labour and Welfare Bureau. Some 14,000 households are expected to benefit. Five targeted social innovations have been introduced. The Family Capacity Building Planner helps families identify their strengths and set development goals. The Family Capacity Building Fund provides subsidies ranging from HK\$15,000 to HK\$25,000 to help families achieve their development goals. The Jockey Club Level-Up Empowerment Employment Centre empowers individuals to identify their strengths, acquire new skills and create new job roles. An innovative savings scheme enables families to build their financial literacy. And the JC LIFT Hub aims to foster community support and well-being.





LIFT Together LIVE Better



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