



Poverty in Wales 2025

The essential guide to
understanding poverty in Wales

JOSEPH ROWNTREE FOUNDATION

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Foreword

by Victoria Winckler, Director, The Bevan Foundation

Twenty years ago, JRF's first report on poverty in Wales found a sustained and welcome decrease in poverty since the mid-1990s. Its latest analysis brings no such good news, with headline rates of poverty flatlining in the 2 decades since. That is bad enough, but most worrying of all is the rise in very deep poverty. Today, almost half of all people in poverty in Wales have incomes so low that they are in this extreme situation: this means more people forced to use food banks, unable to heat their homes or living in temporary accommodation. The human cost of poverty, especially deep poverty, and its impact on public services are huge.

Underlying this 21st-century social failure are many years of deep cuts to social security, along with a shortage of decent jobs and affordable housing. A fair and adequate social security system is, of course, a UK Government responsibility, but there is much that the Welsh Government can do to complement the UK system. Its own devolved grants and allowances have a key role to play, but removing barriers to work, increasing the number and quality of jobs, and ensuring that there is sufficient, adequate housing are vital too. The steps it has taken to date, such as providing emergency cash help from the Discretionary Assistance Fund, offering free school meals (FSM) for primary school children, and increasing the Education Maintenance Allowance, are welcome, but there is much more to do.

Without action, the outlook is even more challenging. Elsewhere, JRF has forecast that child poverty in Wales will rise to one of the highest rates in the UK by 2029. This report includes other forewarnings of trouble ahead: these include disabled adults in poverty, many of whom will, in time, become disabled pensioners; and the people who own their homes outright but live in income poverty.

Poverty matters. It is in every community in Wales, amongst people of all ages, all backgrounds and in all types of families. It blights lives and costs the public purse. It is a moral outrage. With less than a year to go until the next Senedd election, we look forward to political parties taking poverty seriously and committing to ambitious yet practical steps to turn the tide.

Executive summary

A deepening of poverty in Wales

There has been little progress in reducing poverty in Wales over the past 20 years, with poverty rates consistently hovering around 21–22%. Currently, over 1 in 5 people in Wales (22%) live in poverty, totalling 700,000 individuals. This includes 400,000 working-age adults, 200,000 children and 100,000 pensioners living in poverty in 2021–24. Over the past 30 years, children have consistently faced the highest poverty rates, with pensioners currently having lower poverty rates than working-age adults, both with and without children.

In 2020–23, nearly half a million people in Wales lived in deep poverty, with 310,000 in very deep poverty. Poverty has intensified over time, with the proportion of people in very deep poverty rising from 33% in 1994–97 to 47% in 2020–23. The growing gap between household incomes and the poverty line highlights the deepening severity of poverty in Wales. In 2020–23, a couple with 2 primary-school-aged children living in very deep poverty would have needed an additional £13,500 a year to reach the poverty threshold – up from £8,000 in 1994–97, a two-thirds increase – and families in deep poverty faced a shortfall of £10,900. This deepening of poverty is extremely worrying and shows how important it is that people in deepest poverty feel the benefits of future political decisions and economic changes rather than being disproportionately and negatively affected. It also highlights the challenge that the Welsh Government faces. Its actions may be putting money back into people's pockets, but it is very difficult to reduce headline rates of poverty against such a backdrop.

Exploring the uneven impact of poverty

Barriers to work drive poverty for disabled people and carers in Wales

The poverty rate for disabled individuals in Wales stands at a concerning 32%, significantly higher than the 22% for non-disabled individuals. The disparity is even more pronounced among working-age adults, with 37% of disabled working-age adults living in poverty, nearly double the 19% rate for their non-disabled counterparts. This higher risk of poverty among disabled people is driven partly by the additional costs associated with disability and ill-health, and partly by the barriers to work that disabled people face. This also brings into focus the potentially devastating effects on poverty levels of changes to the eligibility for Personal Independence Payments, and changes to the eligibility and rates of health-related elements of Universal Credit (UC), which will increase poverty in the UK by up to 400,000 people.

A key driver of higher poverty rates is the lower employment rate among disabled individuals and families with a disabled member. Only 41% of disabled working-age adults in Wales are employed, compared to 80% of their non-disabled counterparts. Employment rates also vary significantly between those with different disabilities: 38% for those with long-term mental health conditions, 48% for those with physical disabilities and 61% for those with other disabilities. These employment disparities contribute significantly to the higher poverty rates experienced by disabled people, and it is critical that the extra funding for employment support is used effectively.

Similarly, informal carers are more likely to live in poverty (31% versus 22%). They often struggle to balance work and care, face additional costs, and experience poorer health outcomes. In Wales, 1 in 10 adults (250,000) are informal carers, with 70% living in families with a disabled member. Most carers are women and of working age, with nearly 60% providing care for fewer than 35 hours a week and over 40% for 35 hours or more.

Household composition and age drive poverty rates in Wales

Poverty rates in Wales show important disparities across different family types, reflecting broader UK trends. Larger families, lone-parent families and families with younger children face higher poverty rates. The highest poverty rates among working-age adults are seen in those aged over 60 (26%) and those aged 16–29 (24%). Children in families with 3 or more children have a poverty rate of 43%, significantly higher than those in one- or 2-child families (23% and 18%, respectively), with the 2-child limit, which restricts eligibility for income-related benefits to the first 2 children in a family, playing a key role in driving up the difference. Poverty rates also vary by the age of children, with 40% of children aged under 5 living in poverty, compared to 28% for ages 5–10 and 23% for ages 11–19.

Rates of poverty vary substantially by tenure and are particularly high among renters. In 2020–23, more than 4 in 10 social renters (46%) and around a third of private renters (31%) were in poverty after housing costs.

We can clearly see the consequences of poverty in data on food bank use or struggling to afford essentials, when between May 2021 and September 2024, as the worst of the inflation crisis hit family incomes, the proportion of Welsh adults reporting an inability to afford the basics sometimes, often or always doubled from 8% to 15%. Citizens Advice data also highlights a dramatic increase in the number of people seeking help with energy debt – these cases surged by 144% between 2019 and 2024. Finally, if we compare the percentage change in food parcel distribution by Trussell between 2018/19 and 2023/24, we see a 61% increase in Wales.

Lasting consequences for health and education – limiting long-term prospects for Wales

Poverty in Wales has profound and lasting consequences on health and education outcomes. Working-age adults in poverty, particularly those aged 35–49, are significantly more likely to experience poor health compared to their wealthier counterparts. This disparity continues into older age, with those over 65 in poverty also facing higher health risks. Life expectancy gaps between the most and least deprived areas are stark, with women in the least deprived areas living 6.3 years longer and men 7.5 years longer. Alarming, life expectancy in the most deprived areas has declined since 2011–13. The healthy life expectancy gap is equally concerning, with men in the most deprived areas living 13.4 fewer healthy years and women 16.9 fewer healthy years. Young adults aged 16–34 in poverty have a significant increase in health issues compared to young adults not in poverty, highlighting the persistent health inequalities that exist from birth and continue throughout life. These factors underscore the urgent need for effective measures to address the deep-rooted impact and lasting consequences of poverty on health in Wales.

Data used to identify children from low-income households highlights notable attainment gaps. Year 6 students receiving FSM are over 2 years behind their peers in numeracy and reading. Despite changes in the education system, the gap between disadvantaged and non-disadvantaged children remains. These persistent disparities underscore the lasting impact of poverty on educational outcomes. Children from low-income households in Wales consistently face educational disadvantages, which can limit their future opportunities and perpetuate cycles of poverty.

Methodological note

This report uses rolling 3-year averages to compensate for low sample sizes of Welsh data throughout, unless otherwise stated. Where 5 or 7-year averages are used, this is noted explicitly in an endnote or source note.

Most of the official poverty data (from the Households Below Average Income (HBAI) series) used in this report ends at 2022/23. There remains a Covid-19-related effect on the data collection, but methods gradually returned to their pre-pandemic modes (see Annex 2 of UK Poverty for details). The latest HBAI data for 2023/24 was released near the completion of this report and is used in the overall poverty section only. Any revisions in earlier data are also not presented, as the full dataset has not yet been released.

Trends in poverty

This section examines changes in poverty in Wales over the last 25 years. It describes the ways in which poverty has changed among different groups and sets out the factors that have driven changes in poverty rates over time. It shows how poverty rates vary widely by demographic and other characteristics. These are the areas we look at:

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Trends in poverty

Overall poverty rates for children, working-age adults and pensioners

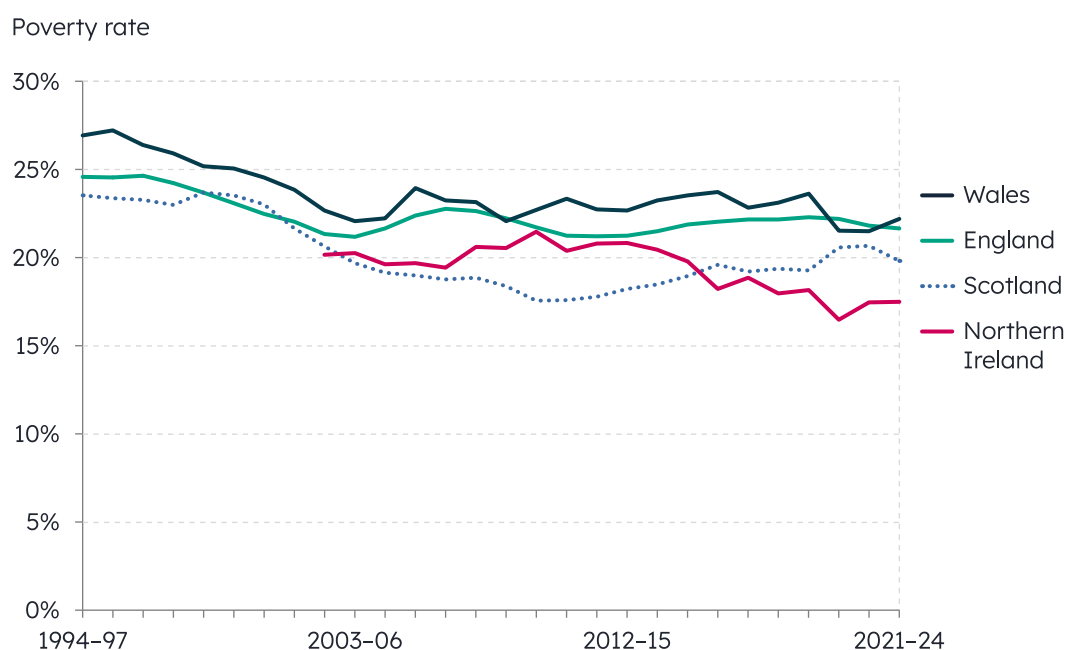
Over 2 in 10 people in Wales (22%) are in poverty – 700,000 people.¹ Of these, 400,000 are working-age adults, 200,000 are children and 100,000 are pensioners. Throughout this report, when we use the term poverty, we are using the relative poverty rate, after housing costs, unless otherwise stated. See Annex 1 for more information on poverty definitions.

The latest data tells us that:

- 3 in 10 children in Wales are living in poverty (31%)
- 2 in 10 working-age adults in Wales are living in poverty (21%)
- 3 in 20 pensioners in Wales are living in poverty (16%).

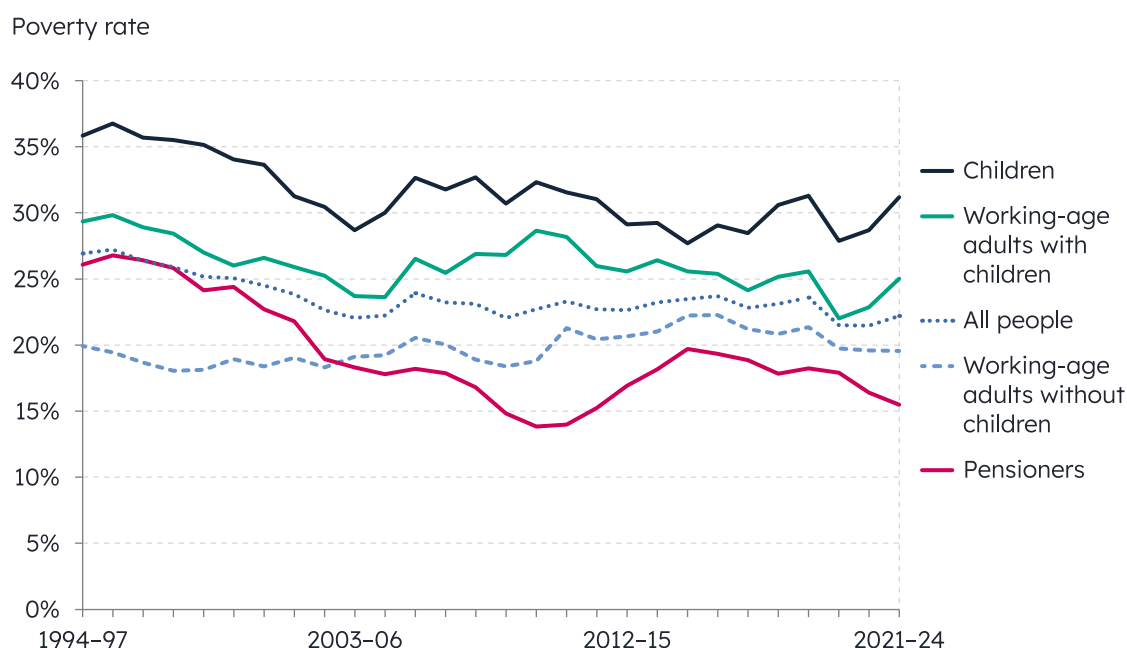
Like overall UK figures, there has been no marked progress in reducing poverty in Wales for the last 20 years, with overall poverty being 22% in 2003–06 and 22% in 2020–23. There has been a convergence with poverty rates for England in recent data, which remain the 2 UK nations with the highest poverty rates.

Figure 1: Wales and England have the highest overall poverty rates, and have shown little change over the last 20 years



Source: JRF analysis of Households Below Average Income, 2023/24, DWP

Figure 2: Children in Wales have consistently had the highest poverty rates, followed by working-age adults with children, while pensioners, along with working-age adults without children, have the lowest



Source: JRF analysis of Households Below Average Income, 2023/24, DWP

Over the past 30 years, children have consistently faced the highest poverty rates. In 1994-97, more than a third (36%) of children lived in poverty. This rate declined to 29% in 2003-06 but rose again to around one-third between 2005-08 and 2011-14. Since then, child poverty has hovered around 30%. In the most recent period, 2021-24, it remained the highest among all groups, with 31% of children still living in poverty.

The second group with the highest poverty rates has been working-age adults with children, who have consistently faced elevated poverty levels throughout the period analysed. In 1994-97, nearly a third (29%) of this group lived in poverty. The rate fell to 24% in 2004-07 before rising back to 29% in 2009-12, then declined steadily, reaching 22% in 2019-22, before starting to rise again to reach 25% in 2021-24. Despite these fluctuations, poverty among working-age adults with children has remained relatively high compared to other demographic groups. Poverty rates among pensioners saw a significant decline between 1994-97 and 2009-12. From 26% in the mid-1990s, pensioner poverty fell to 14% in 2009-12, driven largely by rising private pension incomes and increased benefits. However, the rate rose again to 20% in 2014-17 before declining once more. Since 2003-06, pensioners have had the lowest poverty rates among all groups, with the most recent figure standing at 16%.

Poverty depth

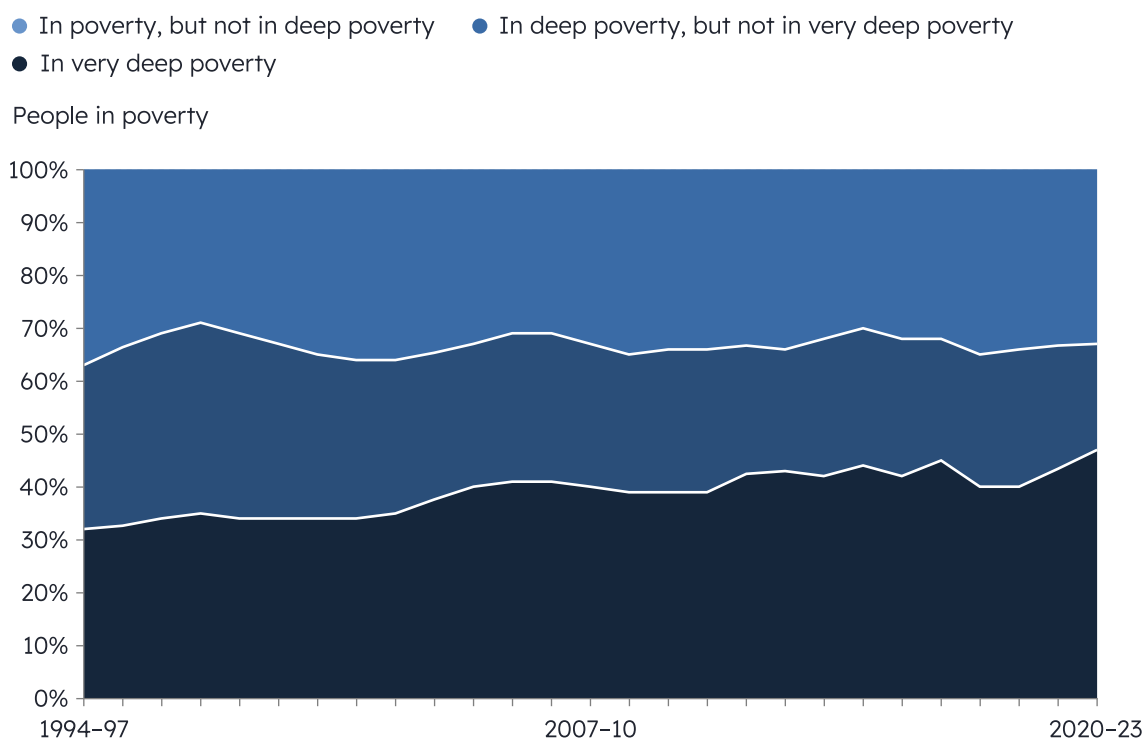
For the 2020–23 period, of the 670,000 people in poverty, close to half a million people (450,000) across Wales lived in ‘deep poverty’ (that is, with an equivalised household income after housing costs that was less than 50% of the UK median). Within this, almost half of them (310,000) lived in ‘very deep poverty’ (an income less than 40% of the UK median).

Poverty in Wales has deepened over time. In 1994–97, 37% of people facing poverty were living in poverty but not in deep poverty. This proportion declined to 31% in 2005–08 but has since increased, reaching 33% in 2020–23.

At the same time, the proportion of people experiencing the most extreme deprivation has steadily risen. In 1994–97, 3 in 10 people in poverty (32%) were in very deep poverty. This increased to 4 in 10 (41%) by 2005–08 and reached its highest level in 2020–23, when almost half of people in poverty (47%) were in very deep poverty.

In contrast, the proportion of people living in deep but not very deep poverty has decreased. In 1994–97, 3 in 10 people in poverty (31%) were in this group. This declined slightly to 28% in 2005–08 and reached its lowest point in 2020–23, where 1 in 5 people in poverty (20%) were in deep but not very deep poverty.

Figure 3: Since 1994–97, the percentage of people in poverty who are in very deep poverty has increased and now makes up the largest group of people in poverty. For the 2020–23 period, almost half of people in poverty face very deep poverty



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

This deepening of poverty is extremely worrying and shows how important it is that people in deepest poverty feel the benefits of future political decisions and economic changes rather than being disproportionately and negatively affected.

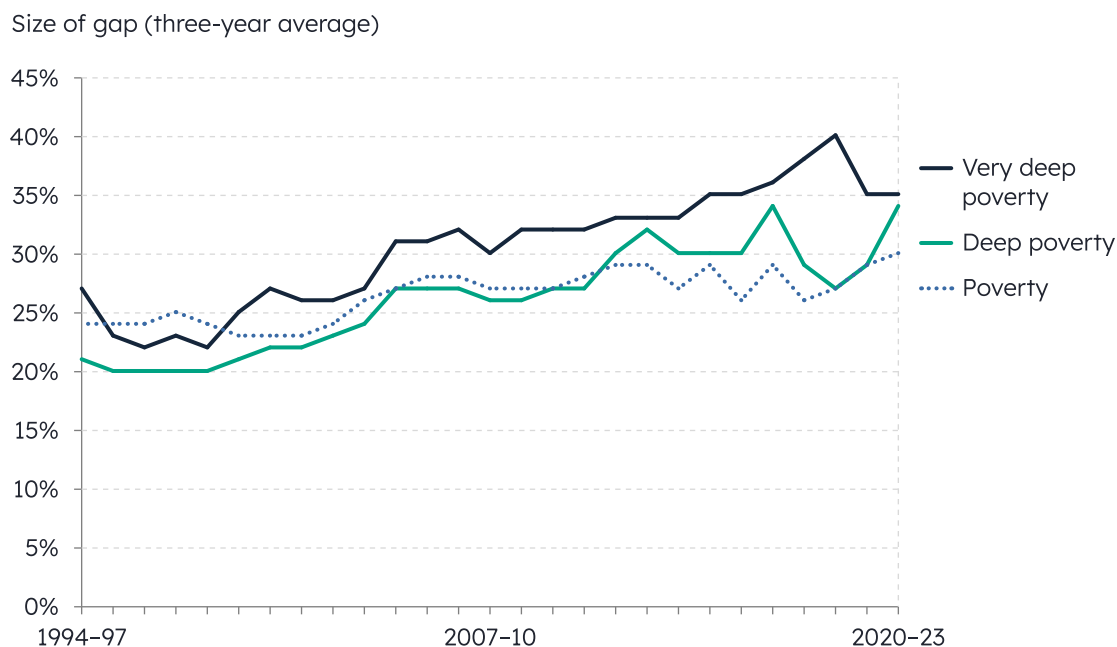
Poverty gaps

To get a sense of the intensity of poverty experienced in Wales, a poverty gap statistic can be calculated. This statistic demonstrates the size of the gap between the median income of families in poverty and the relevant poverty line. It therefore shows the average amount of money that would be needed to bring the incomes of families in poverty to a poverty line.

In 2020–23, the poverty gap stood at 30%, meaning that the median household income for people in poverty was 30% below the poverty line. For a couple with 2 primary-school-aged children, this equated to a shortfall of approximately £7,200 a year. This is the largest poverty gap recorded since the data series began, up from 24% in 1994–97, when the equivalent inflation-adjusted shortfall was £3,800. The deep poverty gap – which reflects incomes well below the poverty line – also widened significantly over the same period, rising from 21% in 1994–97 to 34% in 2020–23. This equates to a £6,900 annual gap, up from £2,800 in the mid-1990s. For very deep poverty, the gap increased from 27% to 35%, equivalent to a rise from £2,900 to £5,500 a year.

The growing gap between household incomes and the poverty line highlights the deepening severity of poverty in Wales. In 2020–23, a couple with 2 primary-school-aged children living in very deep poverty would have needed an additional £13,500 a year to reach the poverty threshold – up from £8,000 in 1994–97, a two-thirds increase, and families in deep poverty faced a shortfall of £10,900. While moving from very deep to deep poverty may ease some immediate hardship, these figures underscore just how far many families have fallen below the poverty line – and how much more support is needed for them to escape poverty altogether.

Figure 4: The poverty gap, deep poverty gap and very deep poverty gap have all grown substantially since 1994–97, and the very deep poverty gap has been consistently largest across the period



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Persistent poverty

The Department for Work and Pensions (DWP) (2024) publishes estimates of the proportion of people who live in persistent poverty each year (measured as having an after housing costs income that is less than 60% of the UK median in at least 3 years out of 4). The latest data shows that, between 2018–2019 and 2021–2022, 12% of people across Wales lived in persistent poverty. This rate was higher for children, with almost 2 in 10 children (18%) in Wales living in persistent poverty. For pensioners and working-age adults, this rate was lower, at 12% and 11%, respectively. The high rate of persistent poverty for children is deeply concerning. This means that 1 in 6 children in Wales have spent 3 years out of the last 4 in poverty, when we know that the longer someone spends in poverty, the worse its effects are.

Table 1: Persistent poverty rates for different groups, Wales, 2018–2019 to 2021–2022

Group	Persistence Poverty rate (%)
People	12
Children	18
Working-age adults	11
Pensioners	12

Source: Income Dynamics: 2010 to 2022, DWP

Destitution

The deepest and most damaging form of poverty is destitution, where households cannot afford to meet the most basic essentials: to stay warm, dry, clean and fed. According to our latest Destitution in the UK report, in 2022, 0.90% of households in Wales experienced destitution – that is, they were unable to afford basic essentials on a weekly basis. This figure is similar to the UK average (0.92%) and England (0.93%), but it remains higher than Scotland (0.81%).

Compared to English regions, Wales’s destitution rate is lower than high-deprivation areas like Greater London (1.31%) and the North East (1.12%), but higher than more affluent regions such as the South East (0.70%) and South West (0.65%).

Wales has also seen a faster rise in destitution rates than most other UK nations. In 2017, Wales (0.43%) had a lower rate than Scotland (0.55%) and the national average (0.52%). However, by 2022, Wales's destitution rate had nearly caught up with the UK average (0.92%) and surpassed Scotland (0.90% versus 0.81%). This trend aligns with broader patterns of rising destitution across the UK, particularly in areas such as the West Midlands and London.

Figure 5: Destitution rates estimated from secondary indicators by region or country (% of households, weekly basis), 2022



Source: [Fitzpatrick et al., 2023](#)

Family composition, age and sex

Table 2 shows the number of adults in poverty and the poverty rate by gender and age group for working-age and pension-age adults. Around 2 in 10 working-age males and working-age females were living in poverty (21%). Female pensioners face higher poverty rates than their male counterparts, with 18% of female pensioners living in poverty compared to 15% of male pensioners. The age groups for working-age adults with the highest poverty rates were working-age adults aged 60 and over (26%) and 16–29 (24%).

Table 2: Number of adults in poverty and poverty rates for different groups, Wales, 2020–23

Group	Number in poverty	Poverty rate (%)
Gender of working-age adults		
Working-age males in poverty	190,000	21
Working-age females in poverty	190,000	21
Gender of pension-age adults		
Pension-age males in poverty	40,000	15
Pension-age females in poverty	60,000	18
Age of working-age adults		
16 to 29	100,000	24
30 to 39	80,000	21
40 to 49	60,000	15
50 to 59	80,000	19
60+	60,000	26
Age of pension-age adults		
65 to 74	50,000	14
75+	60,000	19

Source: JRF analysis of Households Below Average Income, 2022/23, DWP

We have already shown that children tend to have higher poverty rates, but this varies with family size. For example, in 2020–23, the poverty rate for children in families with 3 or more children was twice as high as the poverty rate for children in one- or 2-child families (43% compared with 23% and 18%).

Among lone-parent families, 3 in 10 (30%) children live in poverty. A similar proportion of children in couple families (28%) live in poverty. It is important to note that this similarity only applies to the latest period, with a sizeable gap between the poverty rates of children in lone-parent families compared to children in couple families in previous years. We are unable to determine at this point whether this is a genuine convergence or a data quirk.

Poverty rates also vary depending on the age of children in the family. Over 4 in 10 children in families where the youngest child is aged under 5 (45%) were living in poverty, compared to around 2 in 10 children in families where the youngest child is aged 5 to 10 (19%). The lowest rate is for families where the youngest child is aged between 11 and 19 years, where 16% were living in poverty.² Among children in poverty, 6 in 10 live in a family where the youngest child is aged under 5.

Table 3: Number of children in poverty and child poverty rates for different groups, Wales, 2020–23

Group	Number in poverty	Poverty rate (%)
Number of children in family		
Children in poverty in one-child families	20,000	18
Children in poverty in two-child families	70,000	23
Children in poverty in large families (3+ children)	100,000	43
Number of adults in family		
Children in couple families	140,000	28
Children in lone-parent families	40,000	30
Age of youngest child in family		
0 to 4	120,000	45
5 to 10	50,000	19
11 to 19	20,000	16
Age of child		
0 to 4	60,000	40
5 to 10	60,000	28
11 to 19	60,000	23

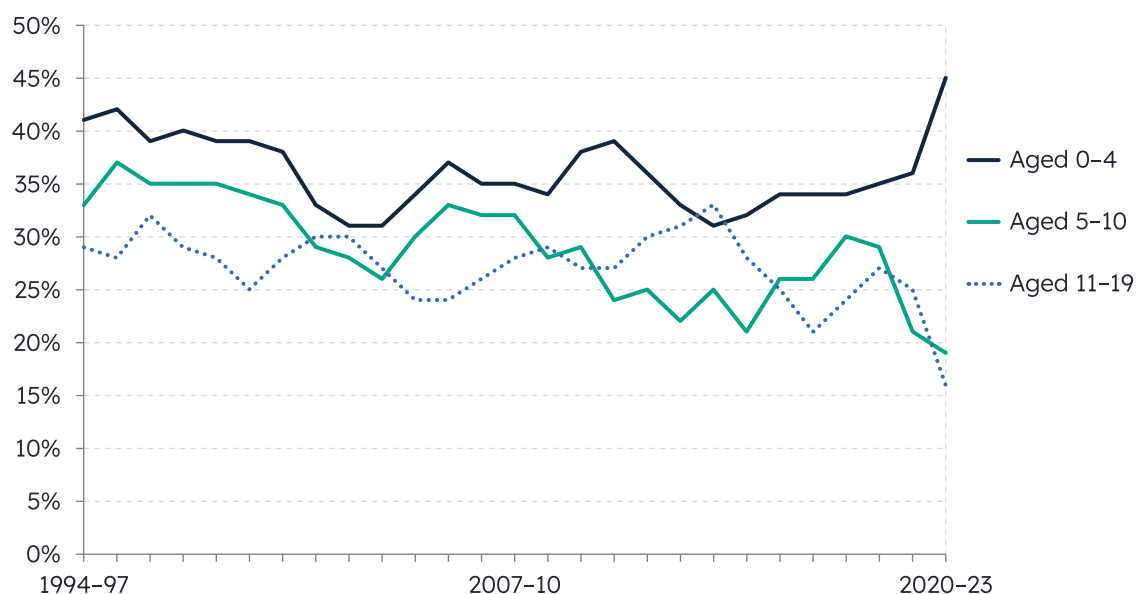
Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: A person is defined as a child if they are 16 to 19 years old and they are: neither married nor in a civil partnership nor living with a partner; living with parents/a responsible adult and in full-time non-advanced education or in unwaged government training.

Younger children have historically been at higher risk of poverty, and the data suggests a continuation of this pattern after the pandemic and the withdrawal of its associated policy measures, like the £20 weekly uplift to UC payments, which temporarily reduced the rate of poverty. However, more data is needed to be certain of this.

Figure 6: Children in families where the youngest child is under 5 have consistently had higher poverty rates and have reached their highest point since at least 1994–97...

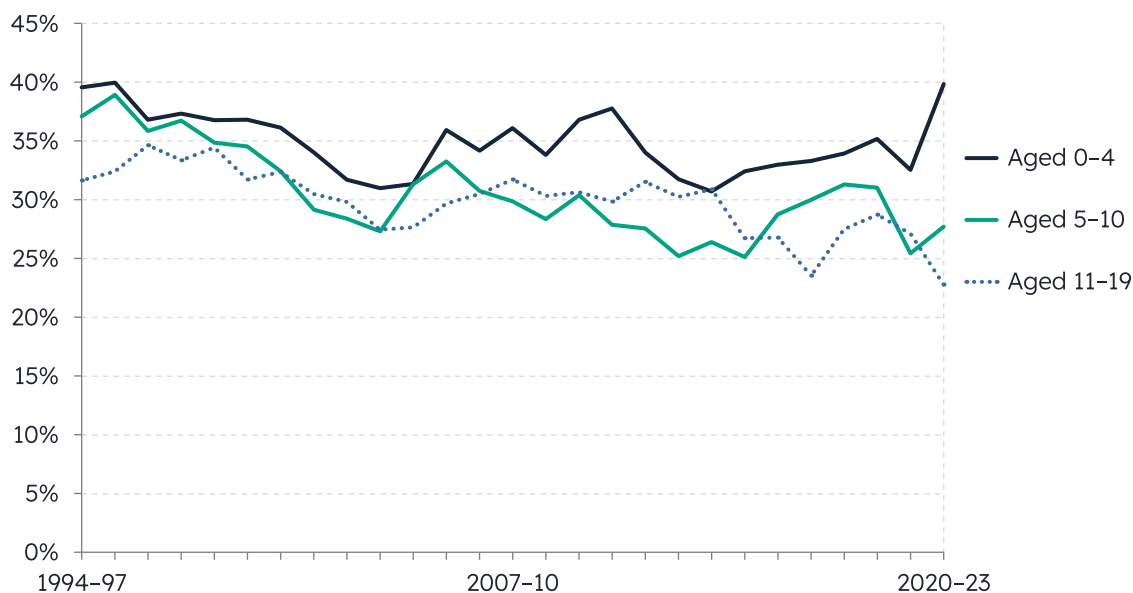
Child poverty rate by age of youngest child



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Figure 7: ...and children aged 0–4 are at higher risk of poverty than other groups, and in 2020–23 reached poverty levels last seen in 1994–97

Child poverty rate by age of child



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Children in lone-parent families have long faced high poverty rates, as have children in large families and those in families with young children. For most of the period, there has been a large gap between the poverty rates of one- and 2-child families on the one hand and families with 3 or more children on the other. This is in part because of childcare responsibilities or costs that can limit the ability of some parents to undertake paid work on a full-time basis or to choose higher-paid jobs that are less flexible or further away, but also include the 2-child limit, which restricts eligibility for income-related benefits to the first 2 children in a family, and the benefits cap, which limits the total income a household can receive in benefits.

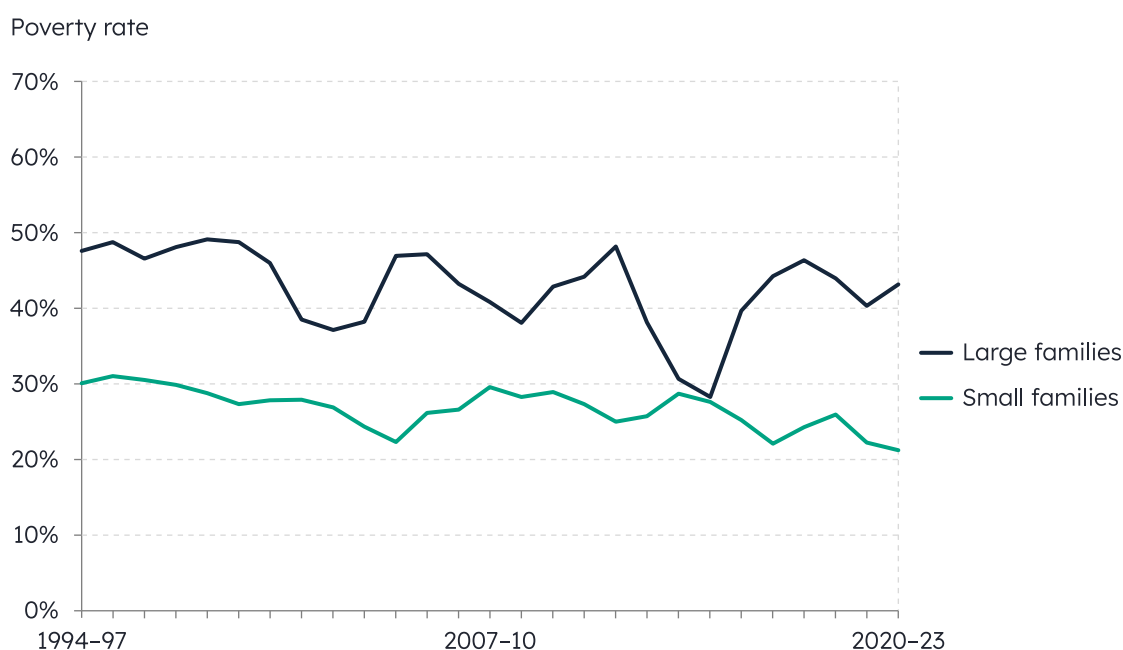
However, poverty rates for children in lone-parent families have been declining since 2018–21. During that period, 5 in 10 children (51%) in lone-parent families were in poverty, but this fell to 3 in 10 (30%) in 2020–23. As mentioned earlier, it is too early to say if this is a real effect or data volatility. It means, however, that the observed gap between poverty rates for children in lone-parent families and those in couple-parent families has narrowed. This is mainly due to the improvement in poverty rates for children in lone-parent families previously mentioned, but there is also a worsening situation for children in couple-parent families. Since 2018–21, poverty rates for children in couple-parent families have risen from 25% to 28% in the latest data.

Poverty rates for children in families with young children have been increasing since 2013–16, reaching their highest level in 2020–23 at 45%. Similarly, children in large families have also experienced a rise in poverty, with rates increasing from 40% in 2019–22 to 43% in the latest period.

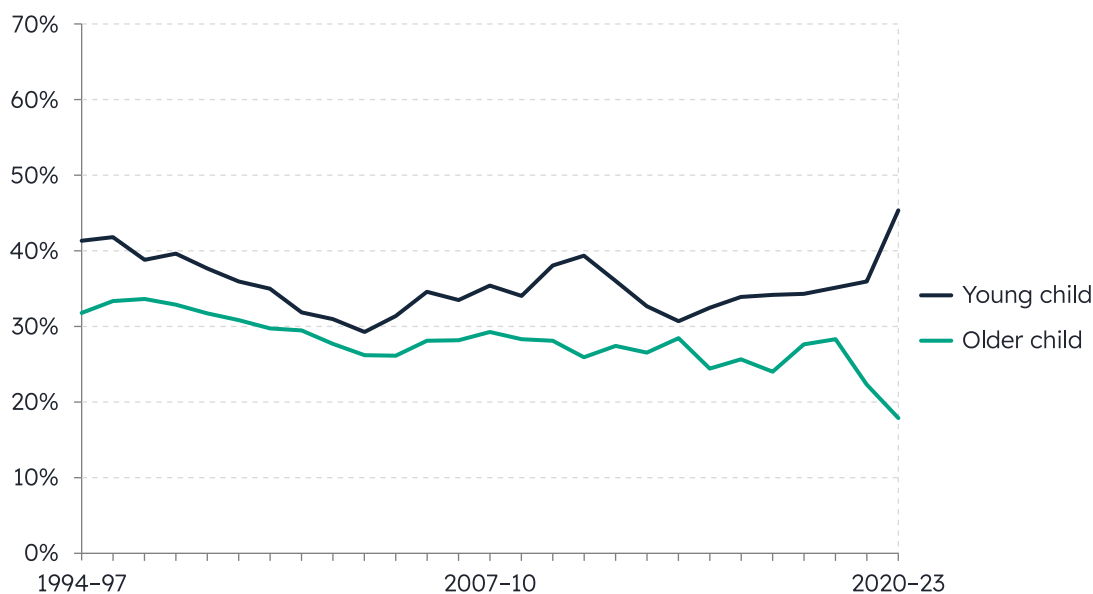
One factor at play for families with children aged 0–4 is the cost of childcare in Wales. Coram data shows that parents saw increases of 9.7% in the cost of part-time nursery childcare for under-2s between 2024 and 2025, and 7.2% for 2-year-olds (Coram, 2025). Costs in Scotland increased 6.9% and 6.5%, respectively, whereas in England the cost of childcare dropped by 55.5% and 56.3%, respectively (this big reduction is due to the introduction of new entitlements in England that gave eligible working parents 15 hours per week of government-funded childcare for 38 weeks of the year).

Costs of childcare for 3- and 4-year-olds have risen faster in Wales year on year also. The average full-time place in a nursery for a 3- and 4-year-old costs £119.23 a week, a 5.6% increase on 2024. In England, prices grew at a slower rate, a 4.7% increase since last year to an average weekly price of £126.94. In Scotland, the equivalent nursery place costs £105.88 per week, a 3.7% increase on last year.

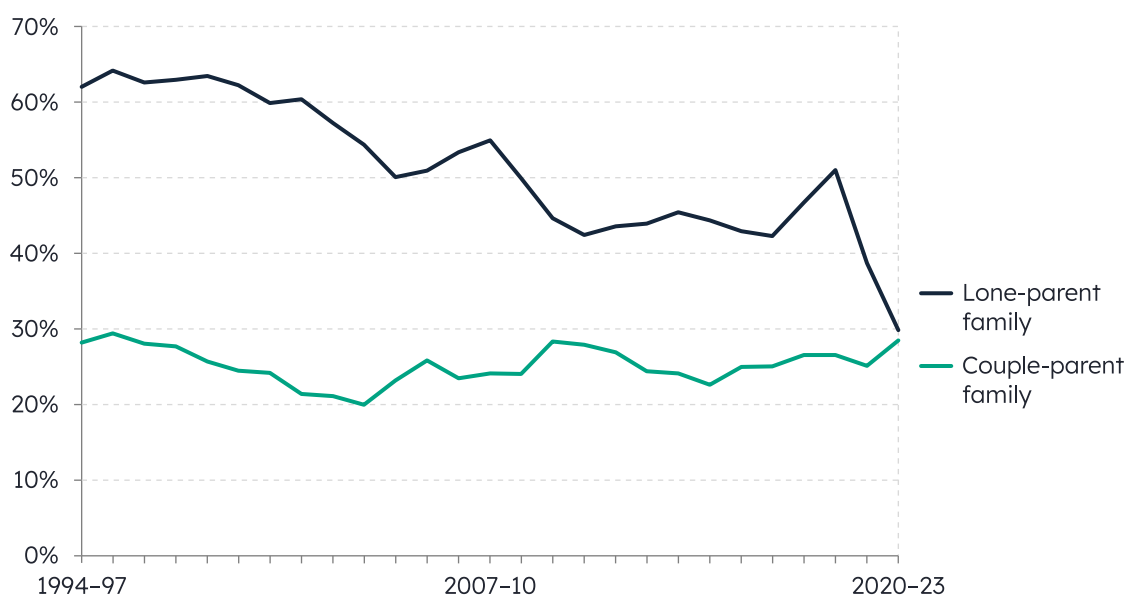
Figure 8: Poverty rates have historically been highest among children in lone-parent families. However, these rates have declined, reaching their lowest point in the 2020–23 period. In contrast, poverty rates for young children (aged under 5) have increased during the same period. It is too early to say if these are real effects or data volatility



Poverty rate



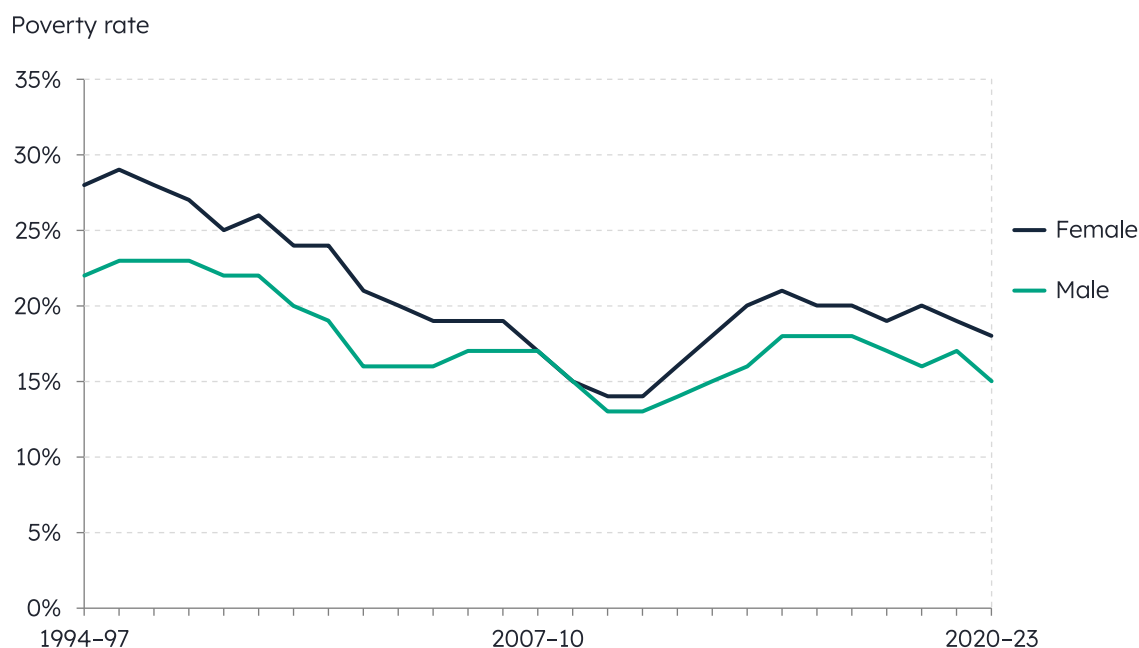
Poverty rate



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

In terms of pensioner poverty, throughout the entire period, female pensioners consistently experienced higher poverty rates than their male counterparts. The gap narrowed in 2007-10 and 2008-11; however, since then, the gap has widened, leaving female pensioners at a higher risk of poverty. In the 2020-23 period, 18% of female pensioners faced poverty compared to 15% of male pensioners.

Figure 9: Pensioner poverty is higher now than 2010–13, with a broadly constant gap between female and male pensioner poverty rates of around 2 to 4 percentage points in recent years



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Ethnicity and poverty

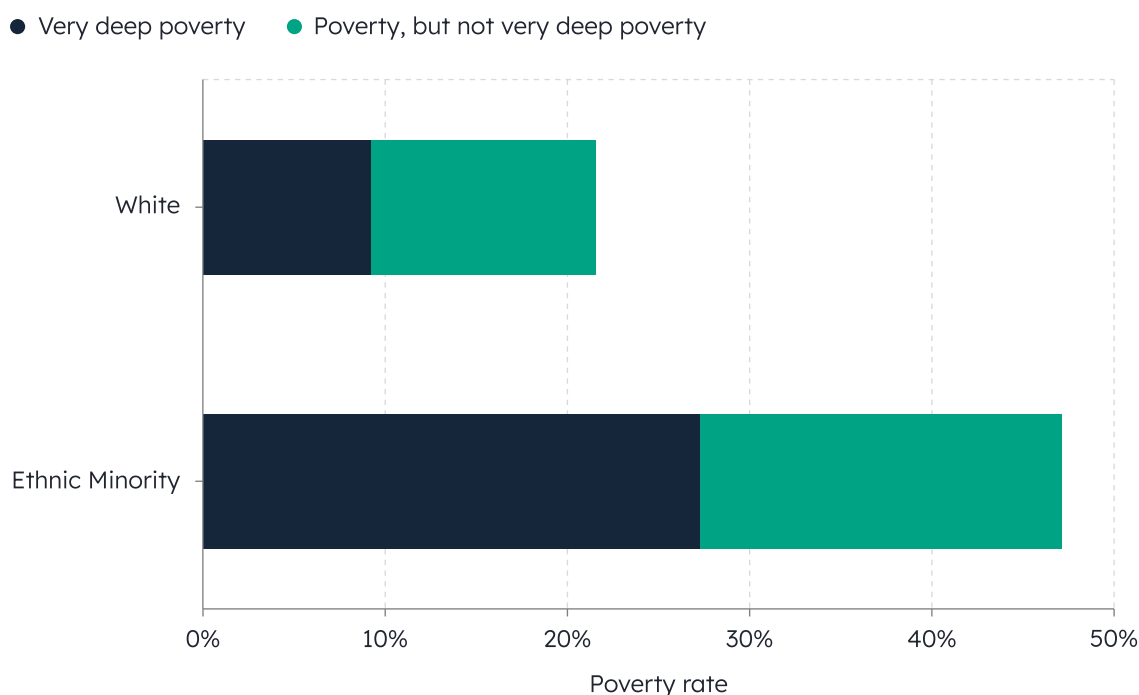
The ethnic minority population in Wales is growing. In March 2021, 93.8% of Wales's population identified as 'white', down from 95.6% in 2011. The largest ethnic category after white was 'Asian, Asian Welsh, or Asian British' at 2.9%. This is up from 2.3% in 2011. Other ethnic categories included 'Mixed or multiple ethnic groups' (1.6%), 'Black, Black Welsh, Black British, Caribbean or African' (0.9%), and 'Other ethnic group' (0.9%). Urban areas like Cardiff, Newport and Swansea had the highest proportions of non-white ethnic groups ([Welsh Government, 2021](#)).

In Wales, significant disparities exist in poverty rates between white and ethnic minority groups. Direct racism, through the actions of individuals and organisations, along with social norms, policies and broader structures like the labour and housing markets, contribute to these inequitable outcomes. The Anti-racist Wales Action Plan (ArWAP), published by the Welsh Government in June 2022 and updated in 2024 ([Welsh Government, 2024a](#)), aims to address these deep-rooted ethnic inequalities by urging public, private and third sectors to confront systemic injustices and work collectively towards meaningful change. With increasing diversity in Wales and the likelihood of ethnic minorities facing discrimination that can lead to poverty, it is important to highlight and understand differences to effectively address and solve poverty in Wales. We are unable to look specifically at groups who have no recourse to public funds in Wales, but this was a large group in our latest UK destitution report (see [Fitzpatrick et al., 2023](#)).

In the most recent data, averaged over the past 5 years to ensure adequate sample sizes, poverty rates were higher among minority ethnic groups than they were for white people in Wales. In particular, around half of people (47%) in ethnic minority-headed households lived in poverty, making them more than twice as likely as people in white households (22%) to be in poverty. Of those in poverty, a staggering 58% of people in ethnic minority-headed households were in very deep poverty, compared to only 43% of white households in very deep poverty.

What the pattern of these statistics shows is that members of ethnic minority-headed households are much more likely to be in poverty than members of white households. Recent JRF work ([Matejic et al., 2024](#)) looking at persistent very deep poverty in the UK shows, even after controlling for a wide range of family, work and housing characteristics, that there remains a heightened risk of living in persistent very deep poverty for members of different ethnic minority groups. This serves to underscore the roles structural inequality, direct discrimination and racism are playing.

Figure 10: Ethnic minority-headed households are more likely to be in poverty, with over half of people in ethnic minority-headed households in poverty facing very deep poverty



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

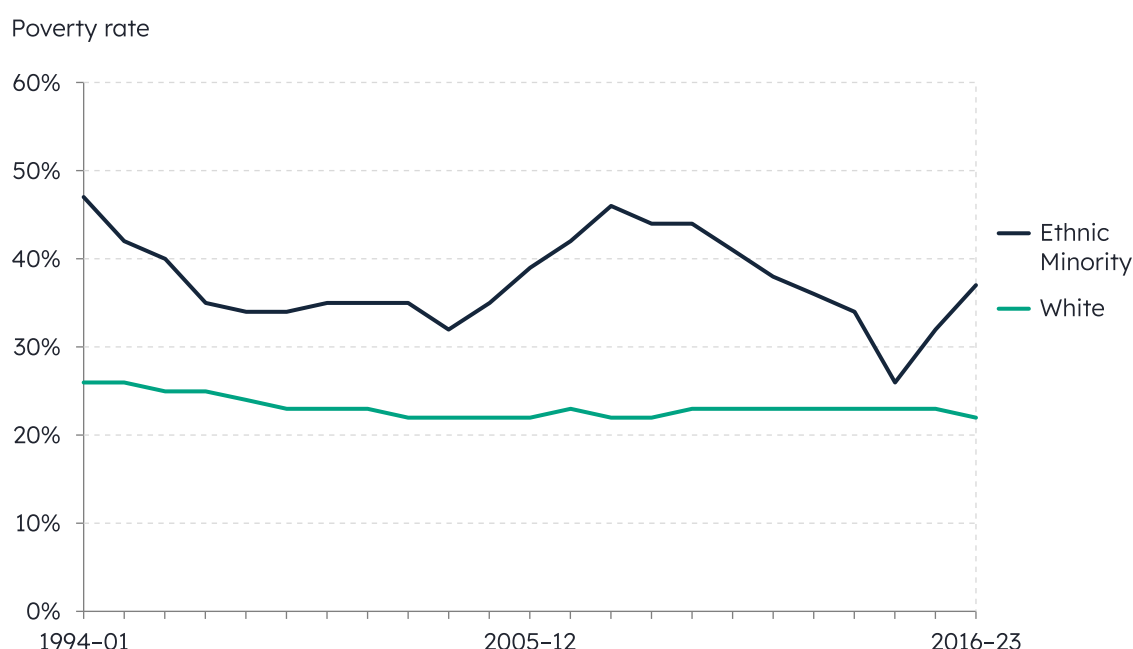
Note: 5-year averages are used due to small sample sizes in annual datasets. In line with DWP's approach, single-year estimates for 2020/21 are excluded due to data quality issues, so these 5-year averages are based on 2018/19, 2019/20, 2021/22 and 2022/23 data only.

All non-white ethnic groups were combined into a single category due to small sample sizes. This group includes Mixed and multiple ethnic groups; Black/Black British, including Black African/African British, Black Caribbean/Caribbean British; Asian/Asian British, including Bangladeshi, Pakistani, Chinese, Indian and from any other Asian background; and all other non-white ethnic groups.

Figure 11 shows a time series of poverty rates by ethnic group, which uses a 7-year average to overcome small sample sizes. Nevertheless, the smaller sample size means that variations in who is surveyed each year can have a more pronounced effect on annual values compared to the large white population. This makes it difficult to determine whether these changes over time truly reflect the experiences of people from ethnic minority groups, and if they are linked to shifts in the factors driving poverty for them, if they are due to structural changes, such as new policies, or if they are driven by volatility in the data. Nonetheless, the data over the past 20 years shows that the white population of Wales have consistently had lower rates of poverty compared to the ethnic minority population.

Broadly speaking, the reduction in poverty for people from ethnic minority groups from 1994 to the mid-2000s is likely associated with economic growth, improved education and supportive UK Government anti-discrimination policies (see, for instance, [Mirza and Warwick, 2024](#) and [CSJ, 2020](#) for UK-level analysis). However, the 2008 financial crisis and subsequent austerity measures led to increases in poverty levels for people from ethnic minority groups, bringing them back to similar rates as in 1994, before falling in the subsequent period.

Figure 11: Poverty rates are consistently higher for people in ethnic minority-headed households than people in households headed by someone of white ethnicity



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

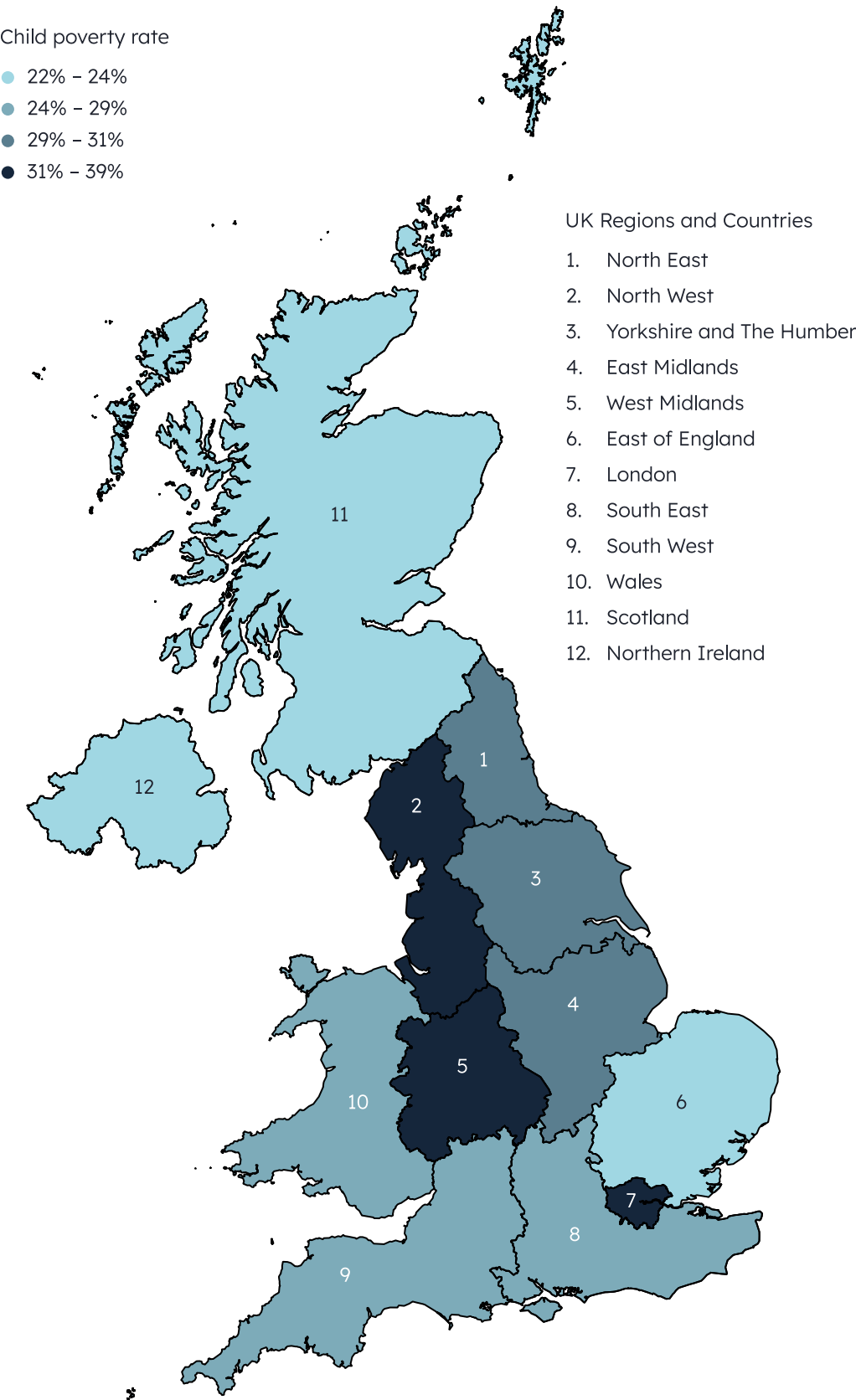
Note: 7-year averages are used due to small sample sizes in annual datasets. In line with DWP's approach, single-year estimates for 2020/21 are excluded due to data quality issues.

Geography and poverty

Across the local authorities of Wales, differences in employment opportunities, levels of wages, and housing costs are important determinants of poverty rates. It is important to understand how drivers of poverty interact to produce different rates of poverty at local levels.

The average child poverty rate in Wales from 2020–23 (excluding 2020/21 due to data volatility) was just below the UK average, at 29%. Among the UK countries and English regions, Wales ranks in the middle for child poverty rates. The regions with the lowest rates include East England (23%), Northern Ireland (23%), Scotland (24%), the South East (25%) and the South West (27%). On the higher end, the regions with the highest child poverty rates are the West Midlands (39%), the North West (37%), London (32%), the North East (30%), the East Midlands (30%), and Yorkshire and the Humber (29%).

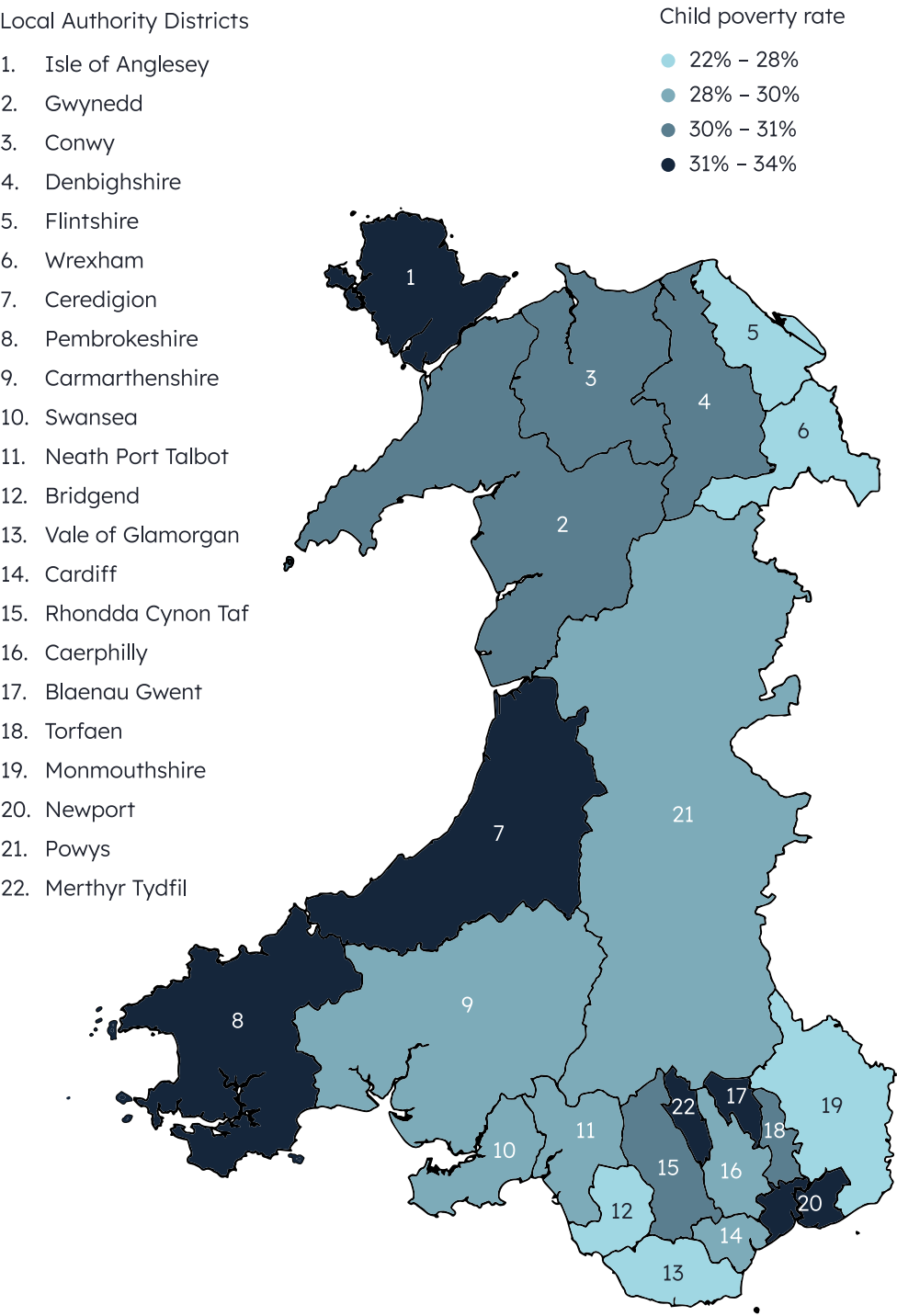
Figure 12: Child poverty rate estimates by region and country



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Data at a more local level derived by Loughborough University for the End Child Poverty Coalition ([End Child Poverty, 2024](#)) allows us to explore how the child poverty rates vary across the different Local Authorities (LAs) in Wales. Many constituencies in Wales have a much higher than average rate of child poverty compared to the overall figures for Wales. Within Wales, the highest child poverty rates are in Blaenau Gwent (34%), Merthyr Tydfil, Ceredigion and Newport (32%), and the Isle of Anglesey and Pembrokeshire (31%). The lowest rates of poverty in Wales are in Monmouthshire (22%), Vale of Glamorgan (24%) and Flintshire (26%).

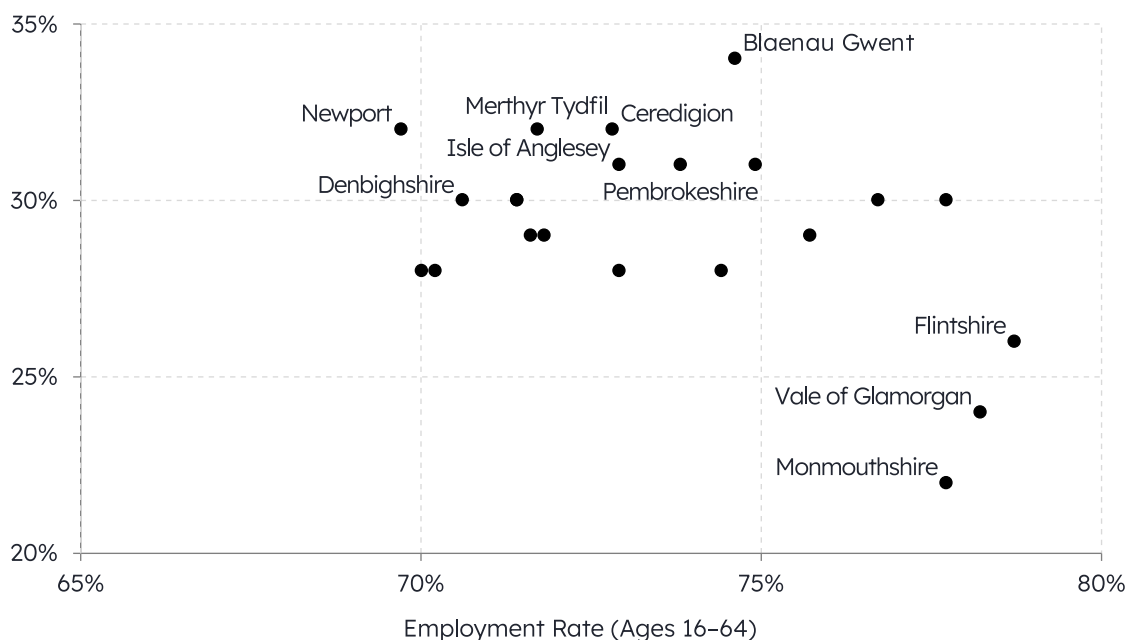
Figure 13: Child poverty rate estimates by Local Authority



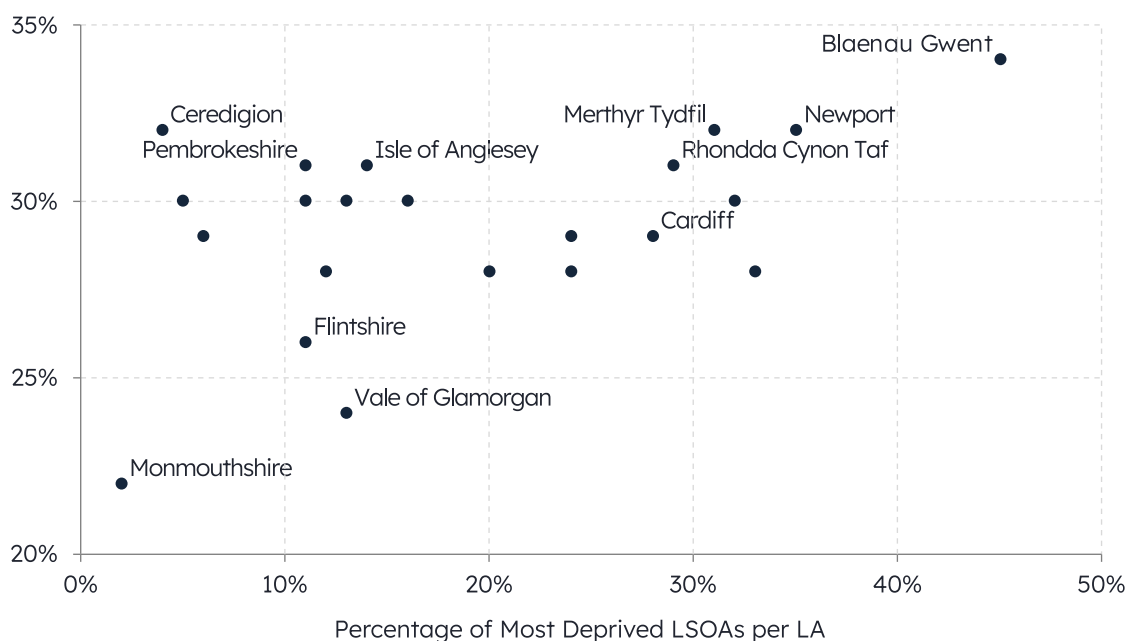
Source: Child poverty rate estimates, after housing costs, from End Child Poverty Coalition, 2022/23

Figure 14: Many local authorities with low child poverty rates have high employment rates and fewer deprived neighbourhoods

Child poverty rate



Child poverty rate



Source: Child poverty rate estimates, after housing costs, from End Child Poverty Coalition, 2022/23; Employment data from Welsh Government, 2022; deprivation data from Welsh Index of Multiple Deprivation (WIMD), 2019 ([Welsh Government, 2024b](#)).

Note: The graph displays the percentage of the most deprived Lower Super Output Areas (LSOAs) within the bottom 20% of the WIMD rankings (ranks 1-382) for each local authority in Wales; more information at Welsh Government ([2024b](#)). The year of employment data used has been chosen to coincide with the poverty data.

Differences in child poverty rates between areas are likely to be associated with differences in employment rates and the Welsh Index of Multiple Deprivation (WIMD). Looking at the employment rate of the working population in Wales, we observe a negative association between child poverty and employment rate, suggesting that child poverty rates reduce as employment increases. For example, LAs with higher employment rates (between 77% and 79%) like Flintshire, Vale of Glamorgan and Monmouthshire have the lowest child poverty rates (between 22% and 26%). The 2 LAs with the lowest employment rates (around 70%), Newport and Denbighshire, have some of the highest child poverty rates (32% and 30%, respectively).

The WIMD is a composite measure that identifies the most deprived areas in Wales based on various indicators, including income, employment, health, education, access to services, housing, physical environment and community safety. These indicators collectively reflect the complex nature of deprivation and its impact on LAs. Here we look at the proportion of areas within a LA in the most deprived fifth of areas within Wales. Any LA with more than 20% deprived areas has an above-average share of deprived areas.

Unsurprisingly, the data shows that child poverty rates are higher in areas with a higher percentage of deprived neighbourhoods. For example, Blaenau Gwent has the highest child poverty rate (34%) and the highest percentage of its area made up by deprived neighbourhoods (45%), followed by Merthyr Tydfil with 32% child poverty and 31% deprived neighbourhoods, and then Newport with 32% child poverty and 35% deprived neighbourhoods. Conversely, areas with the lowest child poverty rates also have low deprivation, such as Monmouthshire (22% child poverty and 2% of its area made up by deprived neighbourhoods), Flintshire (26% child poverty and 11% deprived neighbourhoods) and Vale of Glamorgan (24% child poverty and 13% deprived neighbourhoods).

In both instances, Ceredigion presents an anomaly. This LA has a relatively low percentage of deprived neighbourhoods (4%) but a high child poverty rate (32%). Ceredigion also has a moderately high employment rate of 75%. The Isle of Anglesey and Pembrokeshire are also areas with a lower-than-average share of deprived areas and relatively high employment but high poverty. A plausible explanation is likely to be low pay. These are all areas with a high percentage of workers being self-employed and a high percentage working in tourism and agriculture on low pay or in seasonal or part-time work. See the section on Work and poverty below for further information on the role local labour markets play in poverty rates.

Our analysis comparing child poverty rates against employment rates and WIMD is preliminary and simply highlights some factors that may contribute to increased poverty rates. It is important to stress that individual elements and characteristics of each LA, such as the number of commuters, rural versus urban settings, availability of social services, local economic conditions, housing affordability, and access to education and healthcare, could also drive these outcomes. The employment and deprivation measures explored here will not be able to account for all these fully. The purpose of this overview is to provide a brief insight into potential drivers of child poverty and to suggest areas for further exploration. This caveat also applies to analysis in the Work and poverty section, which makes additional LA comparisons.

Disability and poverty

There are almost 900,000 disabled people (30% of the population) in Wales – and over 4 in 10 families (42%) contain at least one person who is disabled. 12% of children, 26% of working-age adults and 50% of pensioners self-report being disabled. Disabled people face a higher risk of poverty, driven by the additional costs associated with disability and ill-health and by barriers to work. As a result, disabled people and their families frequently rely on social security as a source of income, which at current rates can fail to provide an adequate income, as highlighted by Scope's Disability Price Tag report ([Wright et al., 2024](#)).

This section sets out poverty rates for disabled people and for individuals within families where someone is disabled, and it compares this to non-disabled people.³ Poverty rates for disabled people are higher than for non-disabled people, and this is true for physical, mental and other types of disability.

The poverty measure that has been used in this section measures income after housing costs, excluding disability benefits from household income. This is because these disability benefits are designed to cover the costs associated with being disabled. Including these alongside other forms of income can therefore give a low assessment of the poverty risk. For example, many disabled people need to buy specialist equipment to live independently, including things like powered wheelchairs or screen readers, while disabled children may need therapies such as physiotherapy and speech and language therapy. Some impairments or conditions also have a significant impact on energy costs, and for some, public transport is inaccessible, meaning that some disabled people have no choice but to use taxis and private hire vehicles to get around ([Wright et al., 2024](#)).

The poverty rate for disabled people in Wales is 32%, 10 percentage points above those who are not disabled. The difference continues to be particularly stark for working-age adults: disabled working-age adults are almost twice as likely to live in poverty compared with those who are not disabled (37% and 19%, respectively).

Table 4: Poverty rates are higher for disabled people

Disabled/not disabled		Age group	Poverty rate (%)
Disabled			
	Child		37
	Working-age adult		37
	Pensioner		25
Not disabled			
	Child		31
	Working-age adult		19
	Pensioner		16

Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Just under half of all people who are disabled and living in poverty have a long-term, limiting mental health condition – around 140,000 people. The poverty rate for disabled people with a limiting mental health condition is 37%, compared with 31% for people with a physical disability and 29% of those with another disability.⁴

The poverty rate among working-age disabled men is 39%, around double the rate for those who are not disabled (19%). For working-age disabled women, the poverty rate is lower at 34%, though still 15 percentage points higher than for women who are not disabled.

The poverty rate for individuals who live in a family where someone is disabled is 32%, 13 percentage points higher than those who live in families where no one is disabled. Of all individuals in poverty, 57% live in a family which contains someone who is disabled, compared with just 38% of individuals not in poverty.

Poverty is especially high in families where there are disabled children (36%).

Table 5: Poverty rates are much higher for families containing disabled children

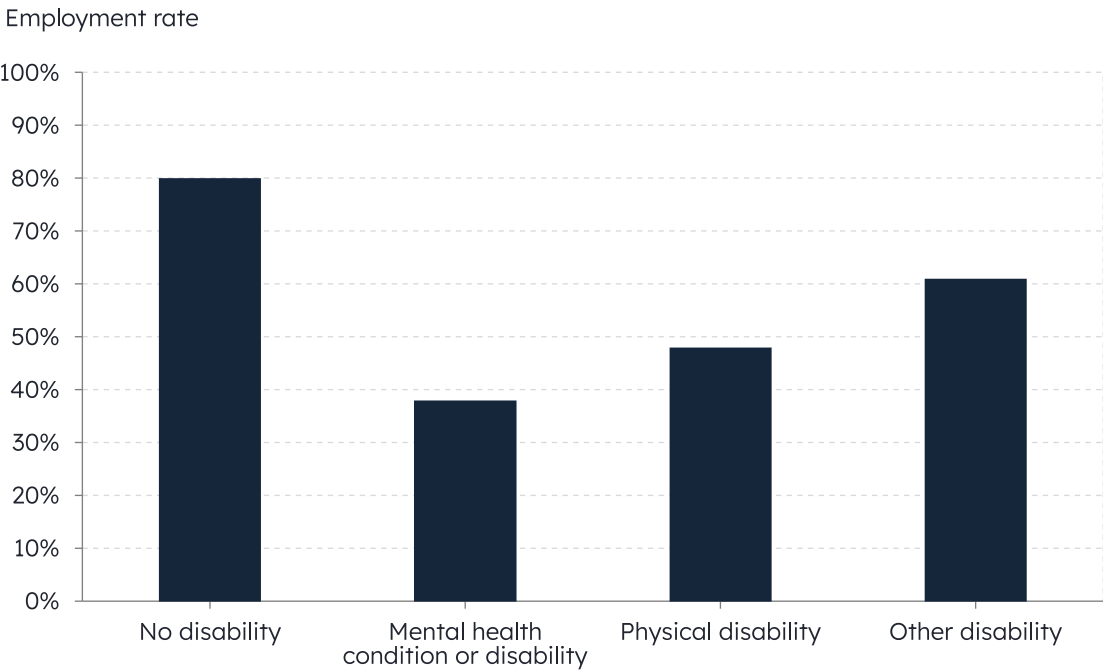
Disability mix within the family	Poverty rate (%)
No one is disabled	19
Disabled adults only	33
Contains disabled children	36

Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: 5-year averages have been used to ensure adequate sample sizes.

A key driver of higher poverty rates is the lower employment rate for disabled people and members of families where someone is disabled. Just 4 in 10 disabled working-age adults (41%) in Wales were in employment, compared to 8 in 10 (80%) of non-disabled working-age adults. Different employment rates also help to explain the higher poverty rate experienced by people with long-term, limiting mental health conditions. Among this group, 38% of working-age adults were in work, compared to 48% of those with a physical disability and 61% of those with another disability.

Figure 15: Employment rates vary by disability type but are much lower compared to non-disabled people

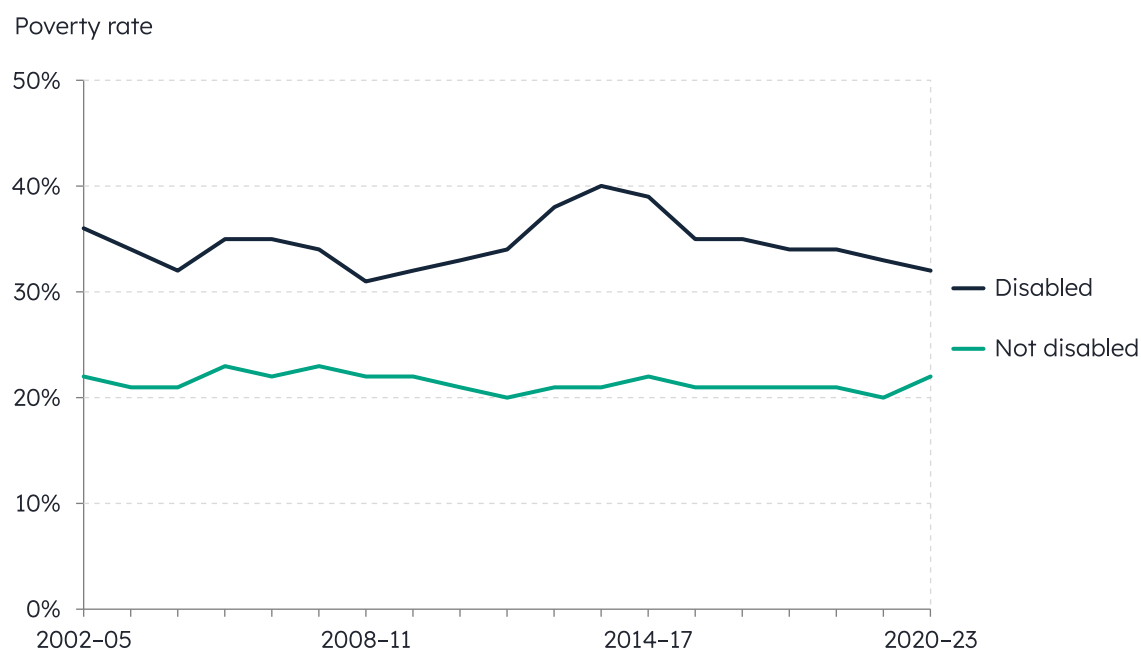


Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: Where an individual has more than one type of disability, they are counted in all relevant categories.

The poverty rate for disabled people has fluctuated since the start of the century, peaking at 40% in 2013–16. The poverty gap has also fluctuated. After a closing of the gap in poverty rates between disabled and non-disabled people in the early part of the 21st century, it widened notably from 2007–10 to 2014–17 but has since closed to 10 percentage points in the latest data.

Figure 16: Poverty rates are consistently higher for disabled people than for people who are not disabled

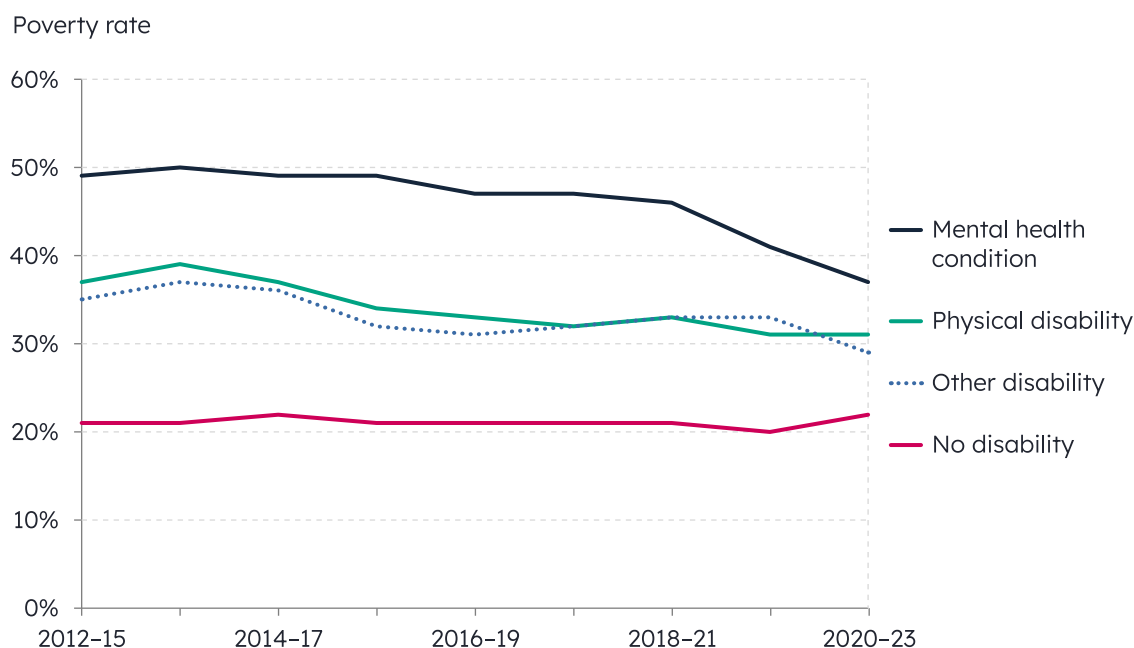


Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: Disability related benefits are excluded from household income.

Those with mental health conditions have the highest rates of poverty compared to other disability types, though these poverty rates have fallen over the time period for all disability types.

Figure 17: People with a mental health condition have had consistently higher rates of poverty than people with other types of disabilities



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: Where an individual has more than one type of disability, they are counted in all relevant categories. Disability-related benefits are excluded from household income.

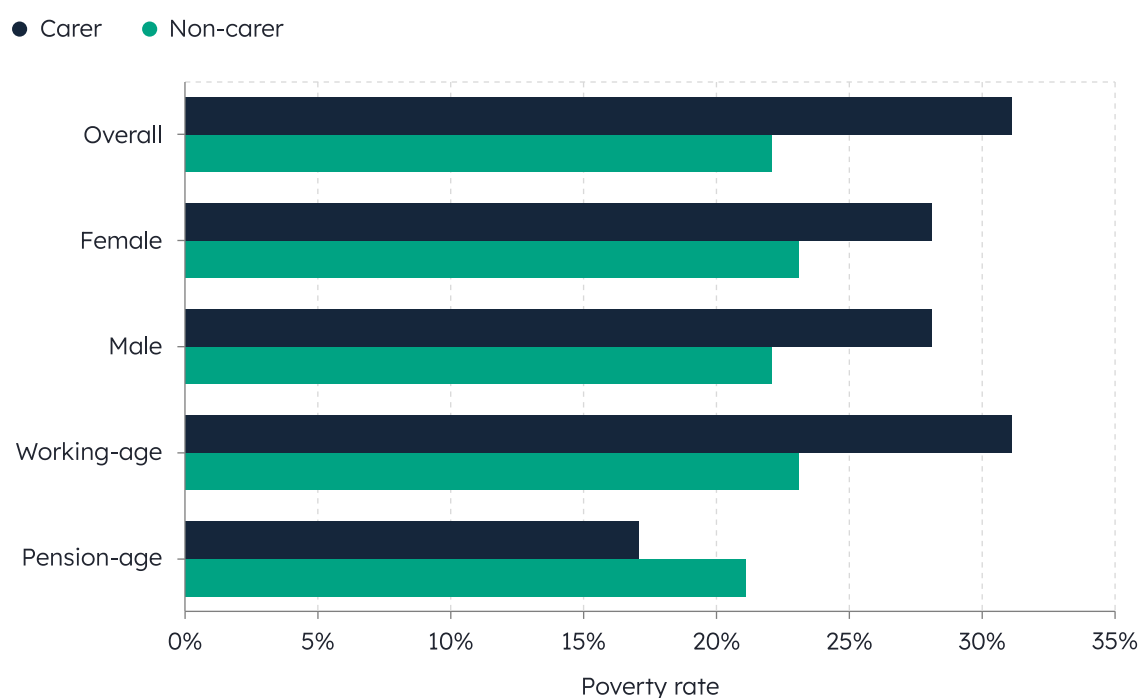
Carers and poverty

Informal carers are more likely to live in poverty than those without caring responsibilities (31% compared with 22%). Many carers find that they struggle to balance work with care and the costs associated with caring itself, with carers often using their income or savings to pay for support services and care equipment ([Carers UK, 2024](#)). Carers also experience poorer health outcomes, and a high proportion of carers struggle with mental and physical health problems ([Huang et al., 2021](#)). All these factors mean that carers are much more likely than those with no caring responsibilities to be living in poverty.

The proportion of adults who are informal carers has remained relatively stable, at around 9% to 12% over the last 20 years. Currently in Wales, 1 in 10 adults (250,000) are informal carers, with 7 in 10 of these carers living in families where someone is disabled. Women account for 6 in 10, and 8 in 10 are of working age. Just under 6 in 10 care, on average, for fewer than 35 hours a week, with just over 4 in 10 spending 35 hours a week or more providing informal care.

Poverty rates are higher for informal carers than non-carers across almost all sex and age profile categories.

Figure 18: Poverty rates are higher for informal carers than non-carers across almost all sex and age profile categories



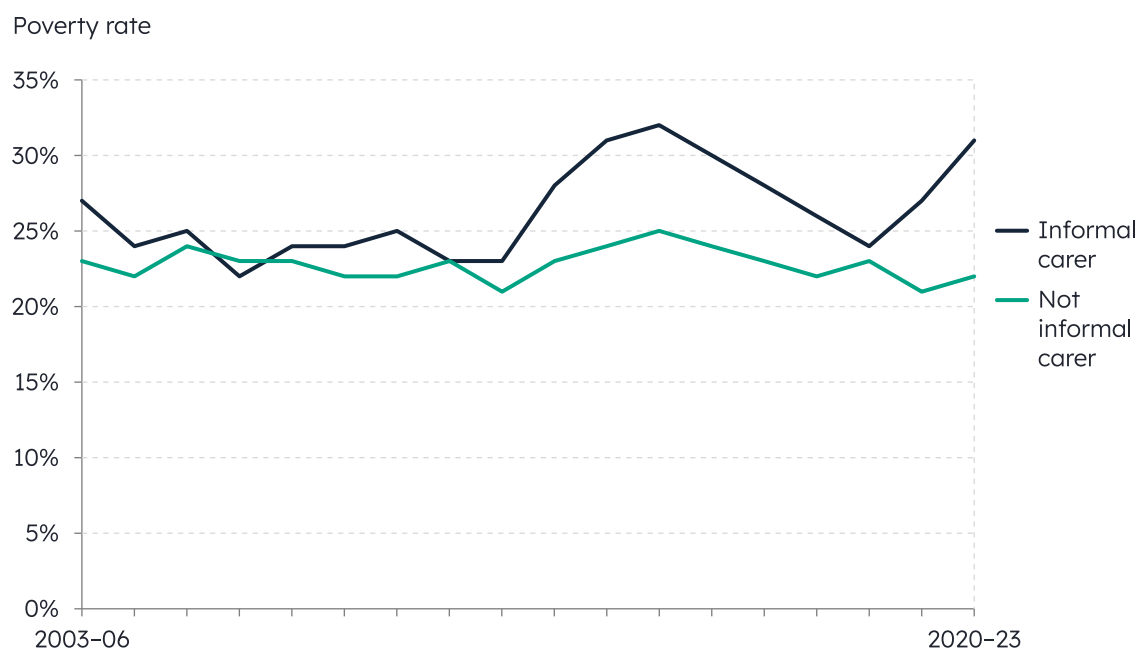
Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: A 5-year average has been used for poverty rates for sex and age profile to ensure adequate sample sizes.

Working-age informal carers are less likely to be employed (61%) than non-carers (71%), but there is a substantial variation in employment rates depending on the amount of time spent caring. Of working-age adults who are caring for 35 hours or more a week, 7 in 10 are not in work (68%) – over 3 times the rate of those caring for fewer than 35 hours a week (21%).

The most recent data shows the gap has grown, with the poverty rate for carers increasing whilst the rate stayed broadly flat for non-carers.

Figure 19: The gap in poverty between informal carers and people who are not informal carers has widened in the last 2 years



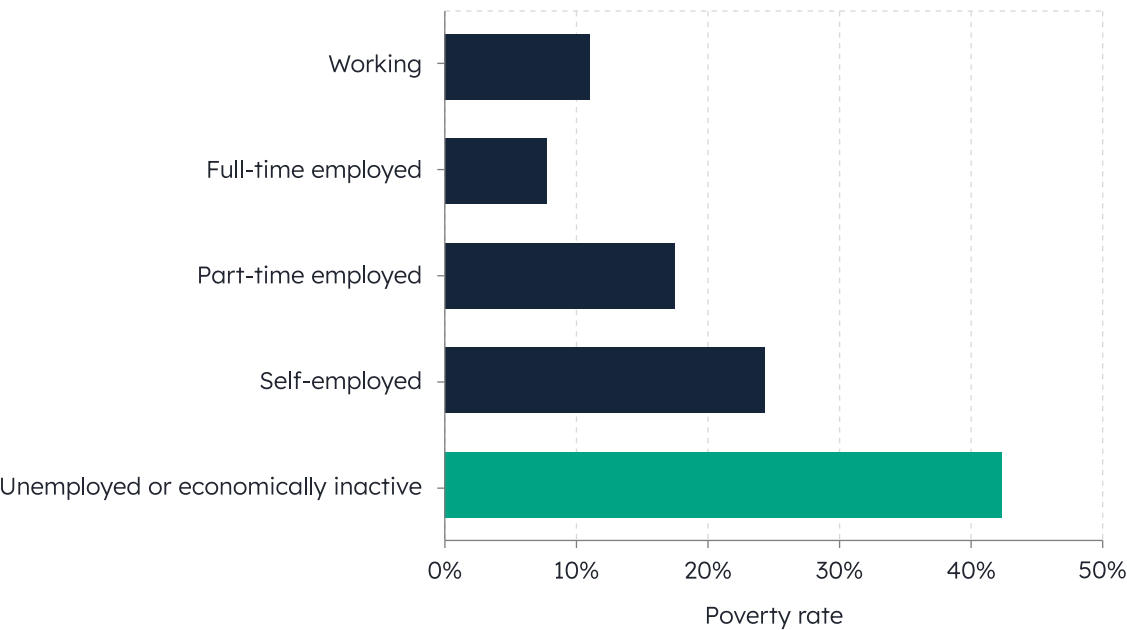
Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Work and poverty

The experience people are having with the labour market is changing at a national level, and while in-work poverty has increased in recent years, people in work (those closest to the labour market) are still the most protected from poverty. Indeed, for working-age individuals, the poverty rate among those employed was 11%, whereas it was 42% for those unemployed or not participating in the labour market (economically inactive). Full-time employees experience the lowest poverty levels at 8%, followed by part-time employees at 17%. The poverty rate is highest for working-age adults who are unemployed or economically inactive at 42%.

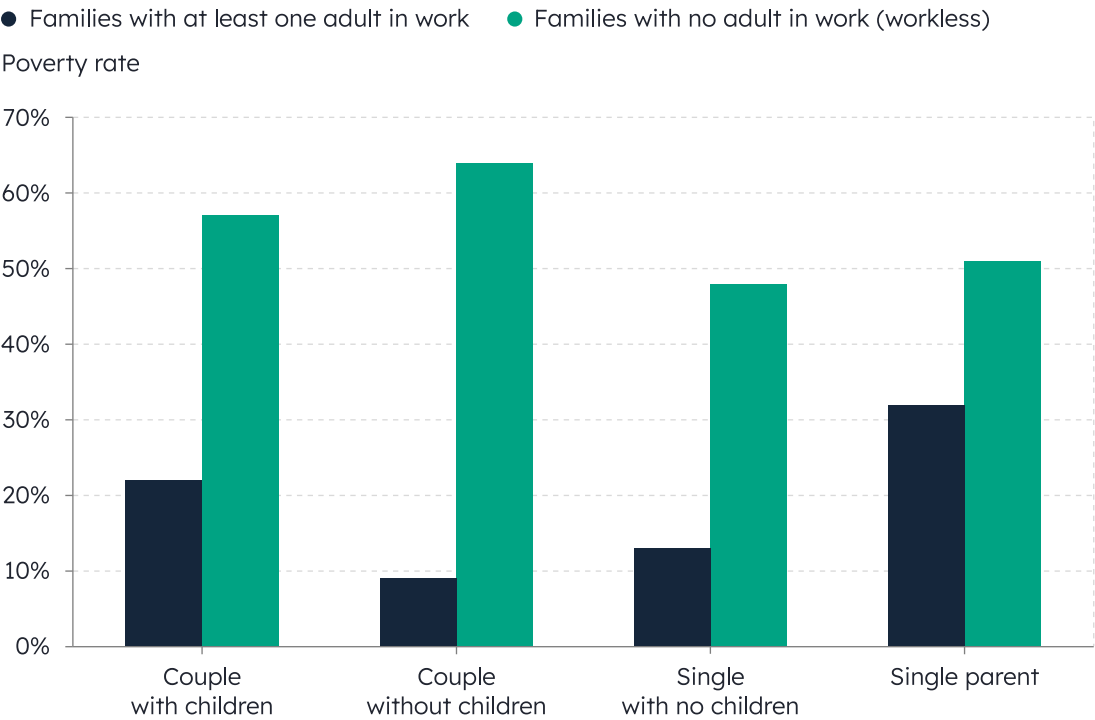
Figure 20: Poverty rates are highest among working-age adults who are unemployed or economically inactive

Working-age adults



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Figure 21: People in families with no working adults are more likely to experience poverty compared to people in families with at least one working adult



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: 5-year averages are used due to small sample sizes in annual datasets. In line with DWP’s approach, single-year estimates for 2020/21 are excluded due to data quality issues.

Economic activity indicators such as low pay and active enterprises (or businesses) provide potentially valuable insights into poverty rates across local authorities in Wales. Higher pay and business activity are generally associated with lower poverty rates, as they lead to financial security and economic growth. These indicators also reflect local economic health, which affects family financial stability. By analysing these metrics, we can identify areas needing support and implement targeted interventions to boost economic activity and tackle poverty.

Our analysis shows a negative relationship between child poverty rates and low pay across different areas in Wales. Blaenau Gwent, Merthyr Tydfil and Ceredigion have high child poverty rates and hourly pay at the 20th percentile in the bottom half of local authorities in Wales. Areas like Flintshire, Vale of Glamorgan, and Monmouthshire have low child poverty rates and hourly pay at the 20th percentile in the top half of Welsh local authorities.

On a macro level, 19 out of the 22 LAs in Wales are in the bottom half of LAs across Great Britain for hourly pay at the 20th percentile, according to the Annual Survey of Hours and Earnings. Of the 350 LAs in England, Wales and Scotland with hourly pay data at the 20th percentile, the average position for the 22 Welsh LAs is 248, compared to 174 for the 295 English LAs and 122 for the 32 LAs in Scotland. This suggests a chronic low pay issue in Wales compared to England and Scotland.

Compared to England or Scotland, Wales has a notably higher share of industry in industrial groups with a lower median pay and, relatedly, a lower share of industry in industrial groups with higher median pay. Broad industrial groups such as Manufacturing, Accommodation & Food Services, and Agriculture, Forestry & Fishing are in the bottom half for median pay and industrial groups that make up a higher proportion of industry in Wales compared to England or Scotland. Industrial groups in the top half for median pay such as Information & Communication, and Professional, Scientific & Technical services make up a lower proportion of industry in Wales compared to England and Scotland ([ASHE, 2024](#), Table 5).

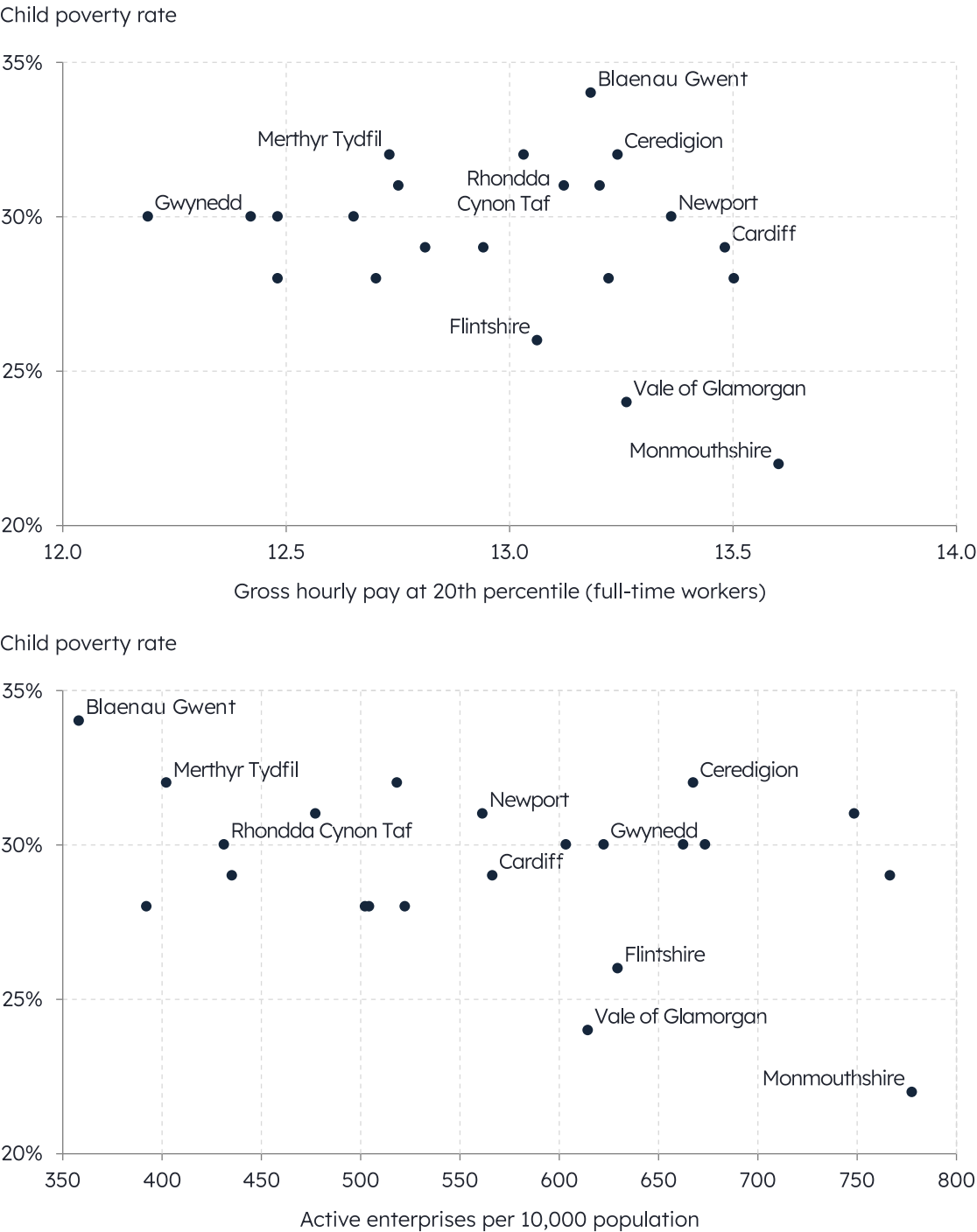
Relatedly, our analysis shows a clear negative association between child poverty rates and the number of active enterprises in a LA.

As the number of active enterprises increases, child poverty rates tend to decrease. For instance, Blaenau Gwent and Merthyr Tydfil have the highest child poverty rates and the lowest number of active enterprises per 10,000 population, while Monmouthshire shows a lower child poverty rate with more active businesses. However, there are outliers like Powys, which has a midrange poverty rate (below 30%) but a high number of active enterprises – partly affected by high self-employment rates in the region.

Whilst the low number of enterprises reflects historical and contemporary factors, a closer look into the broad industrial groups prevalent across these LAs suggests higher-paying sectors might be responsible for observed differences in child poverty. The top 3 broad industrial groups prevalent in Blaenau Gwent and Merthyr Tydfil are Construction, Retail and Accommodation & Food Services, respectively, whereas for Monmouthshire it is Professional, Scientific & Technical, Construction, and Accommodation & Food services.

This analysis helps identify potential underlying factors associated with work contributing to poverty, but more work is needed to fully unpick reasons for differences between local authority areas.

Figure 22: Local authorities with higher average earnings and more active enterprises tend to have lower child poverty rates



Source: Child poverty rate estimates, after housing costs, from End Child Poverty Coalition, 2022/23, Earnings data from (ASHE, 2024) and active enterprises data from ONS, 2023.

Social security and poverty

The poverty rates of people claiming different income-related benefits are much higher than the national average poverty rate. On the one hand, this is to be expected given the low-income eligibility criteria for claiming means-tested support, but on the other hand, it demonstrates that the level of benefits available is frequently not sufficient to enable recipients to escape poverty.

Looking at poverty rates for benefit recipients over time is made difficult by changes in eligibility, especially in the early 2010s. It is for this reason that we restrict analysis here to the last decade

Table 6: Poverty rate for people in families in receipt of benefits, 2020–23

Benefit	Poverty rate for people in families in receipt of benefit (%)
Universal Credit or equivalents ¹	44
Disability benefits ²	15
Carer's Allowance ³	23
Pension Credit	26
None of the above	15

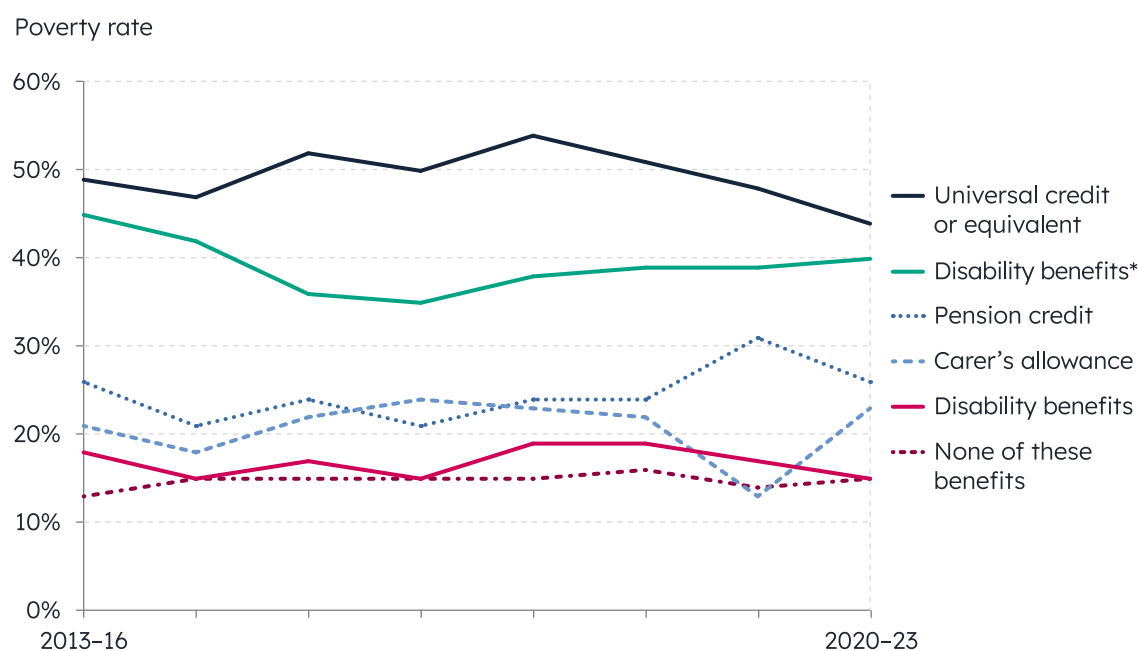
Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Notes:

1. UC or equivalent covers families in receipt of UC or any of the legacy benefits it is replacing, that is, working-age Jobseeker's Allowance (income-related), Employment and Support Allowance (income-related), Income Support, Child Tax Credit, Working Tax Credit and Housing Benefit.
2. Disability benefits include any form of Disability Living Allowance, War Disablement Pension/ Armed Forces Compensation Scheme, Attendance Allowance, Industrial Injuries Disablement Benefit and any form of Personal Independence Payments. The income from these benefits has been included as income, but these are paying for the extra costs associated with being disabled, rather than increasing living standards. If these benefits are not included as income, the poverty rate for this group rises to 40%.
3. CA recipients are more likely to live with someone in receipt of disability benefits. If disability benefits are not included as income, the poverty rate for this group rises to 57%.

The gap in poverty rates between people in families receiving income-related benefits and those who do not has remained persistently high over the period, with recipients of UC or equivalent legacy benefits around 3 times more likely to be in poverty than those not claiming any of the benefits being considered. Including disability benefits as income means recipients are only slightly more likely to be in poverty than non-recipients of the benefits being considered (both 15% in 2020–23), but a fairer picture is seen if income from these benefits is excluded, as shown by the pink line, showing 40% of people in receipt of disability benefits are in poverty.

Figure 23: Benefit recipients have had higher poverty rates throughout the last decade



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: *Disability benefits include any form of Disability Living Allowance, War Disablement Pension/ Armed Forces Compensation Scheme, Attendance Allowance, Industrial Injuries Disablement Benefit and any form of Personal Independence Payments. These benefits have been excluded from income for this line.

Welsh Government-owned benefits

Most benefits paid to families in Wales remain the responsibility of UK Government departments (mainly DWP). However, there are a number of Welsh benefits. The Bevan Foundation have looked at how different sources of support can be better joined up to form a ‘Welsh Benefits System’ ([Bevan Foundation, 2019](#)). Following this work, the Welsh Government has committed to delivering a more ‘coherent and compassionate’ system, and has established a Streamlining Welsh Benefits steering group to take this work forward. This section looks at some of the key benefits either specific to Wales or which are funded by the Welsh Government.

Table 7: An overview of the Welsh benefits system

Benefit	Purpose	Scale
Council tax reduction scheme	Exempts low-income households from having to pay Council Tax or provides them with a discount. Council Tax Support has been protected by the Welsh Government, with the Government defining the scheme for LAs to follow, unlike in England where support has been reduced in many LAs	260,000 households receiving average of £1,160/year
Discretionary Assistance Fund Emergency Assistance Payment	Emergency Assistance Payments help pay for essential costs, such as food, gas, electricity, clothing or emergency travel	230,000 payments averaging £80
Free school meals	Provides children from low-income households (universal in primary schools) with a free lunch in school	90,000 children are eligible for free school meals
School Essentials Grant	The grant assists families with low incomes to purchase school uniforms, sports kit, school bags, and stationery	90,000 children receiving £125 (£200 if entering Year 7)
Healthy Start Vouchers	Vouchers to enable low-income families to purchase fruit and vegetables, or milk formula during pregnancy and a child's early years	Average of 21,000 recipients, getting £4.25 a week during pregnancy and when child is aged 1-4, and £8.50 a week from birth to 1 year old
Educational maintenance allowance	A cash payment that supports a young person from a low-income household to continue their education after the age of 16	16,000 young people receiving maximum of £1,600/year

Benefit	Purpose	Scale
Discretionary Housing Payments	An additional, discretionary payment for low-income households that are struggling to cover housing costs	16,000 DHP awards averaging £500
Discretionary Assistance Fund Individual Assistance Payment	Individual Assistance Payments help people live independently in their home or a property that they are moving into	15,000 payments averaging £990
Welsh Government Warm Homes Programme Nest	A grant that enables a low-income household that is in fuel poverty to make their home more energy efficient	5,000 households with modelled energy bill savings of £600/year
Disabled facilities grant	Assists low-income households with costs of adapting a home to meet needs of a disabled person	4,000 completed grants, averaging £8,910
Welsh Government Learning Grant Further Education	Grant to enable someone aged 19 or over, who is on a low income to enter further education	3,000 successful applications receiving average of £1,110

Source: JRF analysis of Welsh Government data.

Note: Scale is for 2023/24, with the exception of Disabled Facilities Grant which is for 2022/23.

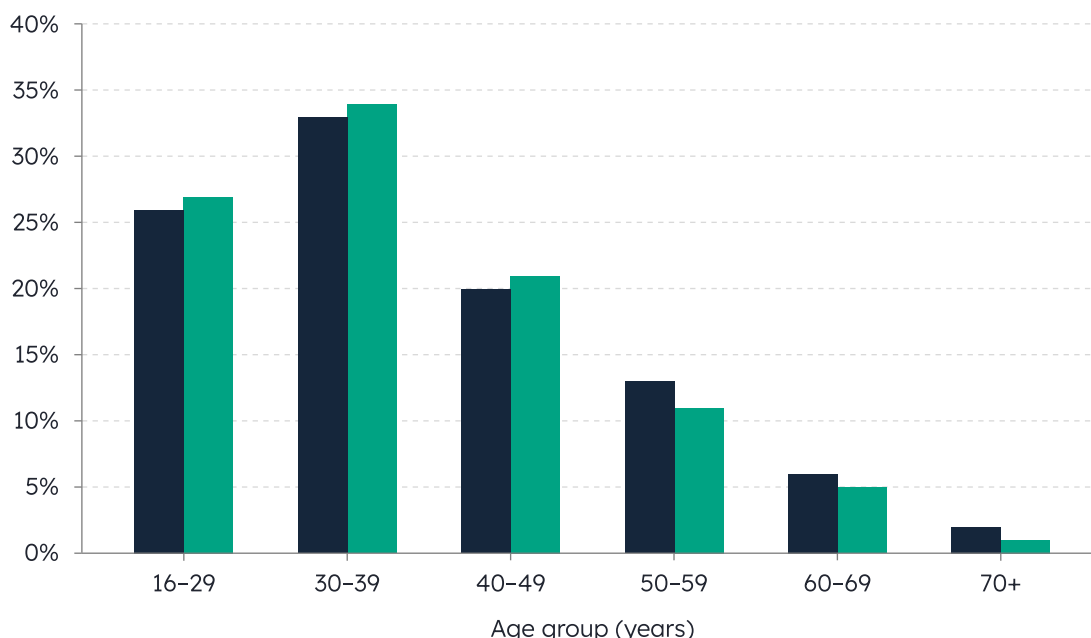
The largest part of the Welsh Benefits system is the Council Tax Reduction scheme being received by 260,000 households in 2023/24. The caseload has been falling over time, with over 300,000 households being in receipt in 2015/16. Other housing-related support includes Discretionary Housing Payments (DHPs), to help with housing costs, and the Nest Warm Homes Programme, giving grants for energy efficiency. There is also a Disabled Facilities Grant, assisting with the cost of adapting a home for a disabled person.

The Discretionary Assistance Fund (DAF) is a support mechanism that operates in Wales to help people in crisis. DAF consists of 2 types of support: Individual Assistance Payments (IAPs), which provide baseline household goods to enable people to live independently, for instance on leaving a refuge, prison or temporary accommodation; and Emergency Assistance Payments (EAPs), which provide small emergency cash payments to help pay for essential costs.

Figure 24: Age distribution of individuals receiving Emergency Assistance Payments awards (%)

● May 2022 to May 2023 ● May 2023 to May 2024

Share of recipients



Source: DAF Data, Welsh Government, 2022/23 and 2023/24

Note: DAF data is supplied to the Welsh Government by their service provider NEC Software Solutions UK.

Welsh Government data shows that in 2023/24, £19 million in EAP awards were paid out to individuals. This is a reduction compared to the £25 million paid out in 2022/23. This reduction in the value of EAP paid out to individuals is explained by a change in DAF policy implemented in April 2023, where the maximum number of payments reduced from up to 5 payments to up to 3 payments per claimant ([Ferraz-Luz, 2024](#)).

In terms of demographics, younger people claimed EAP more frequently. From May 2023 to 2024, individuals in the 30-39 age group received the most EAP awards (34%) followed by those aged 16-29 (27%). Combined, these 2 groups received 61% of the total EAP awards, with the remaining 39% received by people aged 40 and over. The proportion of 16-39-year-olds receiving EAP in the financial year 2023/24 has slightly increased since 2022/23, but only by a couple of percentage points. The opposite is the case for those aged 40 and above, where proportions have decreased by 1 or 2 percentage points. In terms of geography, the distribution of DAF awards across local authorities and age groups indicates that the average for each local authority aligns with the national average ([Ferraz-Luz, 2024](#)).

The final element of the Welsh Benefits system are benefits for children and young people, including healthy start vouchers for pregnant women and pre-school children, free school meals and the school essentials grants for school children, and the Educational Maintenance Allowance and the Further Education Learning Grant for people aged 16 and over remaining in education.

Housing and poverty

Over the last couple of decades, there has been a shift in the housing tenures lived in by the general population across Wales. Welsh Government Data (2025) shows that the private rented sector in Wales more than doubled in size between 2001 and 2024, and increased from 7% to 14% of homes. The social rented sector contracted slightly in the 2000s, but then climbed back to around the 240,000 homes it had been at the turn of the century, but falling from housing 19% of the population to housing 16% as the population grew. The number of people in poverty in each tenure has changed substantially, with many more people in poverty now living in the private rented sector in Wales. Changes in the tenure profile of housing are important because if housing costs had remained lower because of a combination of greater provision of social housing, higher levels of homeownership, and reduced reliance on the private rented sector, rates of poverty would likely be lower.

This shift is evident in the tenure distribution among those in poverty. In 2000–03, 1 in 4 (40%) people in poverty lived in the social rented sector, 20% lived in the private rented sector, and 40% lived in owner-occupied accommodation housing (including both owned outright and buying with mortgage). In 2020–23, a lower proportion of people in poverty lived in the social rented sector (35%), slightly more (23%) lived in the private rented sector and a broadly unchanged 41% lived in owner-occupied accommodation.

Rates of poverty vary substantially by tenure and are particularly high among renters. In 2020–23, more than 4 in 10 social renters (46%) and around a third of private renters (31%) were in poverty after housing costs.

Table 8: Number of people in poverty and poverty rates by tenure in Wales, 2020–23

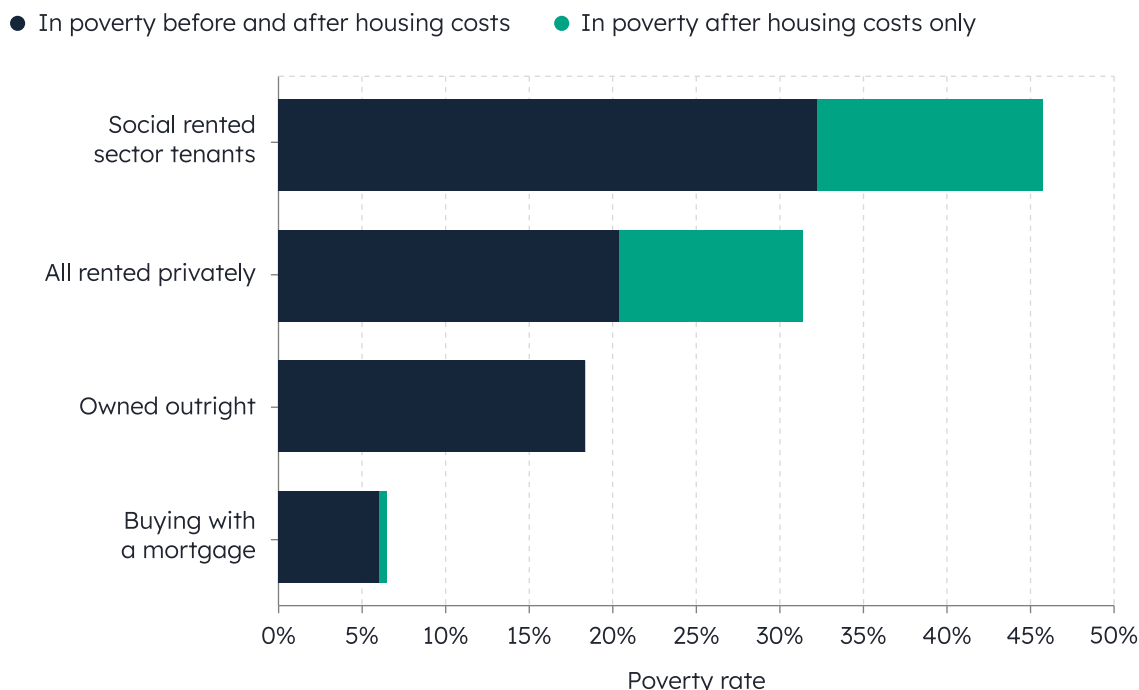
Tenure	Number in poverty	Poverty rate (%)
Owned outright	210,000	18
Buying with mortgage	70,000	7
Social renting	240,000	46
Private renting	160,000	31

Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: 3-year averages are used due to small sample sizes in annual datasets. In line with DWP's approach, single-year estimates for 2020/21 are excluded due to data quality issues, so these 3-year averages are based on 2021/22 and 2022/23 data only. Numbers of people in poverty rounded to nearest 10,000.

Poverty among social renters is disproportionately due to low incomes, while private renters are more likely to be pulled into poverty by their housing costs; 35% of private renters are in poverty after their housing costs are factored in. Among homeowners, 18% of people who lived in a home that was owned outright were in poverty. Poverty rates were lowest for those paying off a mortgage – at 7%. Almost all (93%) of these people were in poverty before housing costs (which excludes the repayment part of the mortgage) are factored in.

Figure 25: The poverty rate is highest for social and private renters, many of whom are in poverty only after housing costs



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

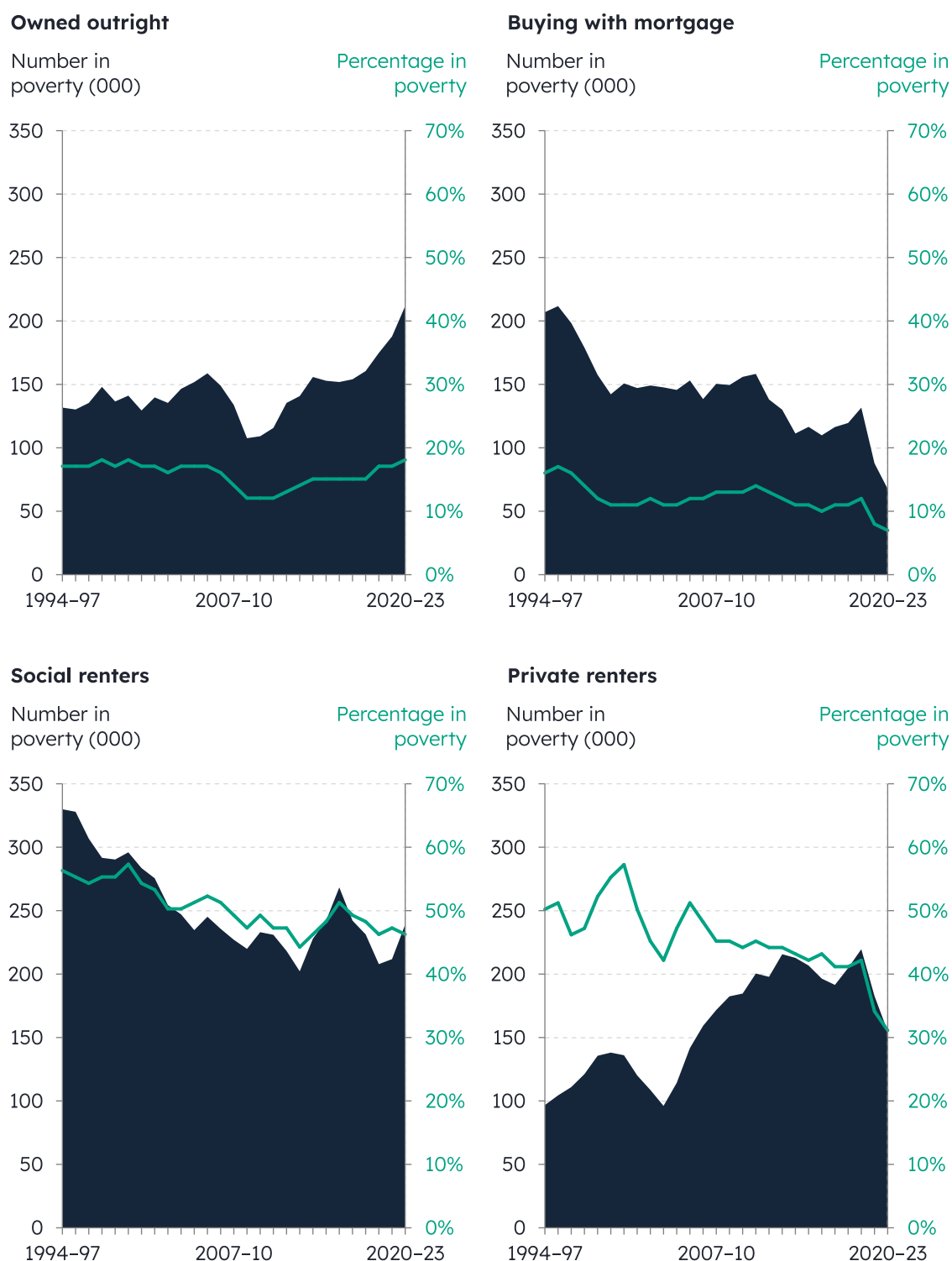
Note: 3-year averages are used due to small sample sizes in annual datasets. In line with DWP's approach, single-year estimates for 2020/21 are excluded due to data quality issues so these 3-year averages are based on 2021/22 and 2022/23 data only.

Looking at trends over time, the poverty rates for social renters have remained relatively stable since 2004, with the highest point being 52% in 2005–08 and the lowest point being 44% in 2012–15. From 2004–07 to 2018–21, these rates for private renters have fluctuated between 41% and 51%. However, there has been a notable decline in poverty rates for private renters after 2018–21, dropping to 34% in 2019–22 and further to 31% in 2020–23. While these statistics could potentially suggest an improvement over time, the data is too volatile to derive concrete conclusions at this point. It is important to note this caveat when interpreting the results.

Among outright homeowners, poverty rates were hovering around 17% over the period 1994–97 to 2006–09. These poverty rates fell to their lowest point of 12% in 2008–11. Since then, they have crept back up, regaining their high point of 18% in 2020–23. The increase in the number of those living in poverty in owned outright accommodation could reflect an ageing population increasingly retiring into outright homeownership. This is something that needs to be kept an eye on, even if it is not an issue of housing costs.

The latest poverty rate for people living in a home being bought with a mortgage is at the lowest level it has been in the time period covered by the data, at 7%. From 1997–2000 to 2018–21, these rates have sat between 10% and 14%, creeping down in the last 2 periods. These lower-than-average poverty rates are unsurprising given the greater and stable income necessary to secure a mortgage. However, the large increases in mortgage interest rates could reverse this trend and see poverty rates among this group climb again.

Figure 26: The number of people living in poverty within the private rented sector has increased by 50% compared to the period 1994–97



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

The experience of being in poverty

The previous sections have made it clear how poverty rates vary across different groups and have discussed the factors that have affected those rates over time.

This section examines the statistics describing the experience of living in poverty. The cost-of-living crisis has spotlighted the harms of high inflation, particularly for those on low incomes. Relatedly, savings can help meet unexpected costs or weather income shocks, while debts, often an indicator of financial strain, can lower living standards, even if incomes rise. The stress of living on a low income can have a negative impact on health. Finally, children’s educational attainment, which is the strongest predictor of poverty in adulthood, is negatively affected by the poverty that many children are living in. In this part of the report we look at:

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The experience of being in poverty

Cost of living

The cost of living refers to the amount a household spends on goods and services to support its everyday life. Households that can afford to meet the cost of living can participate more fully in society. However, when the price of goods, especially essentials, increases faster than incomes, it squeezes household budgets and places additional pressure on those on lower incomes.

Understanding changes in the cost of living is crucial for tackling poverty in Wales. It highlights the financial pressures faced by households and underscores the need for targeted interventions to ensure that everyone can afford to meet their basic needs and participate fully in society.

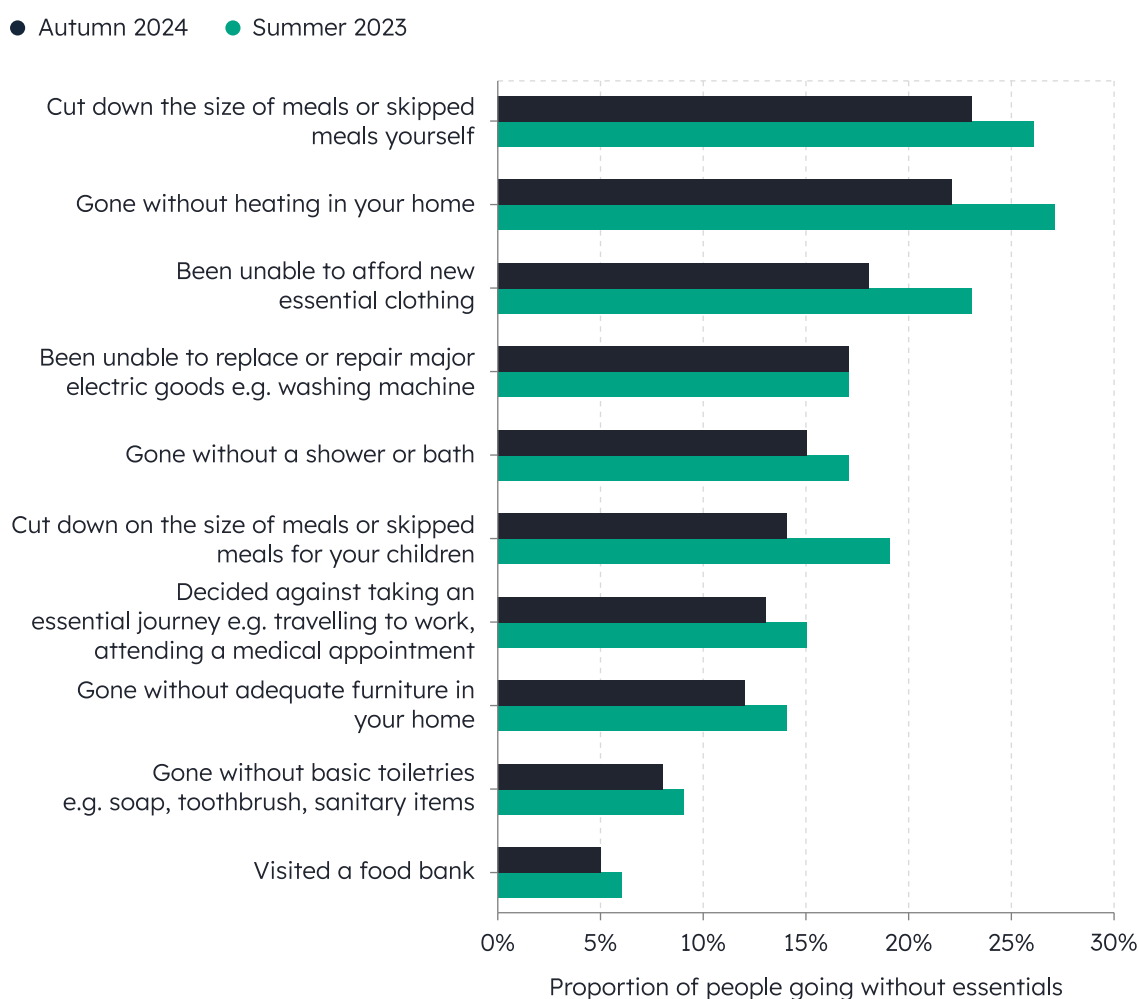
The Bevan Foundation has been tracking the impact of the cost-of-living crisis on the Welsh population since December 2020 through its 'Snapshot of Poverty' series, which includes nationally representative online surveys of Welsh adults. This section will mainly focus on the latest instalment of the series from autumn 2024, which asked respondents about how they were coping with the cost of living (Davies and Evans, 2024). For insights into energy costs, we also draw on data from Ofgem, the Office for National Statistics (ONS), and Citizens Advice.

Between May 2021 and September 2024, as the worst of the inflation crisis hit family incomes, the proportion of Welsh adults reporting an inability to afford the basics sometimes, often or always doubled from 8% to 15% (Davies and Evans, 2024).

The data shows that food is the most forgone essential, with just under a quarter (23%) of Welsh adults reducing their meal sizes or skipping meals altogether, and 14% doing the same for their children. Other essential items that adults are going without include heating (22%), essential clothing (18%), repairs for electrical goods (17%) and showers or baths (15%). Additionally, 13% could not afford essential journeys like attending medical appointments or commuting to work, 12% went without essential furniture, 8% lacked essential toiletries and 5% visited a food bank.

The most recent data shows a slight improvement compared to the data collected 14 months earlier. Namely, the proportion of people cutting down or skipping meals for their children has decreased from 19% in summer 2023 to 14% in autumn 2024. Additionally, the proportion of people unable to afford essential clothing has dropped by 5 percentage points. However, the overall proportion of people lacking other essentials remains broadly unchanged compared to summer 2023, with only a few percentage point differences and, therefore, suggests that the cost of living continues to affect the lives of Welsh people.

Figure 27: Food and heating are the most common essentials that Welsh adults are going without



Source: A snapshot of poverty in summer 2023 and autumn 2024, [Bevan Foundation, 2023](#)

Note: All figures were collected by YouGov Plc. The total sample size for summer 2023 was 1,055 adults, with data collected between July 21st and 26th, 2023. The total sample size for autumn 2024 was 1,207 respondents, with data collected between 2 and 8 September 2024. The data has been weighted to represent all Welsh adults (aged 16+). Detailed sample sizes for autumn 2024 data are available in the Appendix of Davies and Evans (2024).

Energy costs and efficiency

The energy price shock in early 2022, which sparked much of the inflationary crisis, remains a pressing issue for families, placing continued strain on household finances. In Wales, the average gas price cap increased by 221% between April 2021 and April 2023, amounting to an additional £1,120 per year for households. Electricity costs followed a similar trend, with a 156% rise over the same period – equivalent to an extra £1,074 annually. Although prices declined in 2023, energy costs remain well above pre-crisis levels and, since 2024, gas prices have climbed again, with the average gas price cap rising by 14% (£116 per year) compared to 2023. The average price cap for electricity rose by 8% (£77 per year).

Energy price caps vary across UK regions, and Wales is among the areas facing the highest energy costs. In 2025, South Wales has the second-highest gas price cap in the UK at £945 per year, compared to the lowest in the East Midlands at £914, and above the Great Britain average of £930. North Wales ranks fifth, with a cap of £928.

A similar pattern is seen in electricity pricing. North Wales and Mersey has the highest electricity price cap of any UK region at £1,104 per year, £100 above the national average of £1,004. South Wales ranks fifth, with a cap of £1,014 per year, behind Northern Scotland, the South West and the North West.

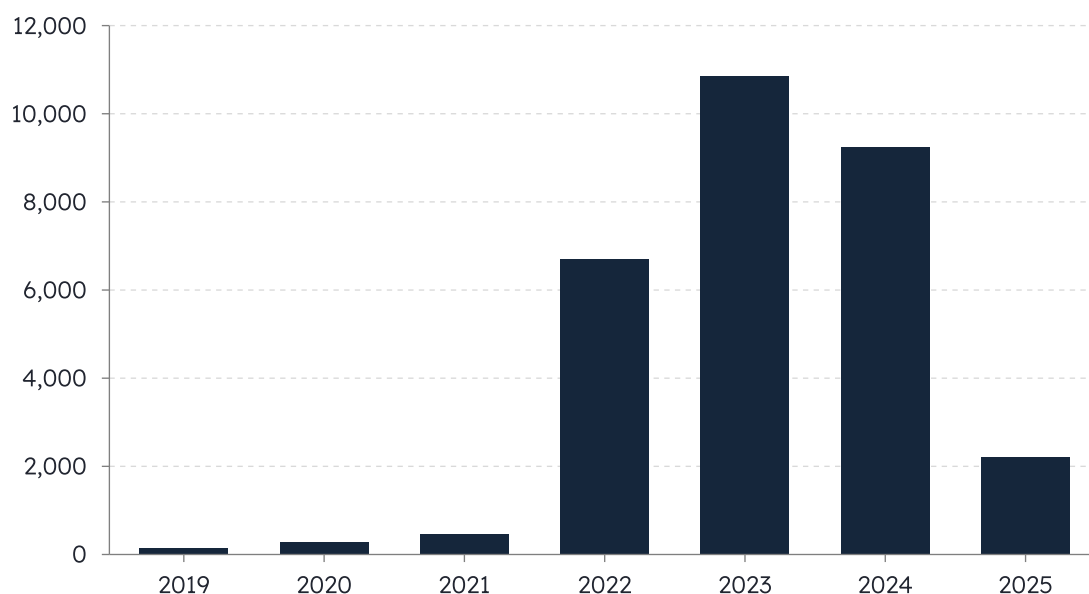
An energy-inefficient home exacerbates the impact of high energy costs. While homes in Wales are overall as efficient (67 out of 100) as those in England (68) in terms of Energy Performance Certificate (EPC) scores, there is significant geographic variation in the average efficiency rating of homes in Wales. At the LA level, average energy efficiency scores in Wales range from 59 in Gwynedd to 70 in the Vale of Glamorgan. This range is lower than in England, where the median efficiency at a LA level is 62–78, although few LAs score higher than 72 ([ONS, 2024](#)).

These regional disparities are even greater at smaller geographies, particularly between urban and rural areas. Areas such as Pen-dre, Litchard, and Coity in Bridgend, as well as Langstone and Llan-wern in Newport, have relatively high scores of 83. In contrast, areas like Abersoch and Aberdaron in Gwynedd show much lower scores, as low as 45. These local variations contribute to unequal burdens in energy costs and indicate the greater difficulty low-income families in certain parts of Wales face when keeping their homes warm.

The combination of high energy prices and low energy efficiency can deepen experiences of hardship for Welsh households. In 2019, 138 people seeking advice from Citizens Advice Cymru were unable to top up their pre-payment meter. By 2023, this number had risen sharply to 10,885. In the first few months of 2025, 2,226 have reported this issue. Should this trend continue, the total for the year may match or even exceed the highs seen in recent years.

Figure 28: Number of Citizens Advice clients unable to top up their pre-payment meter, including those coming for fuel vouchers

Number of clients



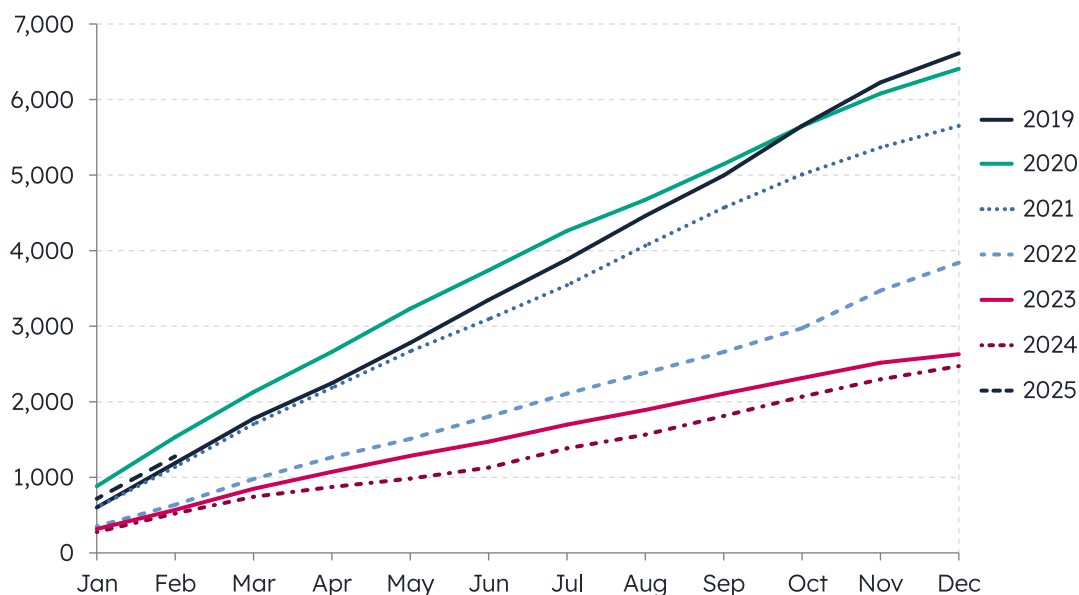
Source: Citizens Advice Cymru (2025), Cost of Living Dashboard

Note: Data is for Wales and comes from Local Citizens Advice offices. This includes people who are unable to top up their pre-payment meters, including those seeking fuel vouchers. Fuel voucher data has been recorded since March 2022. The 2025 figure reflects only data from Q1 of 2025.

Citizens Advice data also highlights a dramatic increase in the number of people seeking help with energy debt – these cases surged by 144% between 2019 and 2024. As energy prices remain substantially higher now than before 2022, the number of people being supported by Citizens Advice in early 2025 is in line with the last few years.

Figure 29: Cumulative number of Citizens Advice clients helped with energy debt each month

Cumulative number of clients



Source: Citizens Advice Cymru (2025), Cost of Living Dashboard

Note: Data is for Wales. Data is from Local Citizens Advice offices. This includes people who are unable to top up their pre-payment meter, including people coming for a fuel voucher. Recording for 'fuel vouchers' began in March 2022.

The cost-of-living crisis also affects certain groups more severely, for example, single parents who have disproportionately high levels of debt. According to Citizens Advice, they have experienced a sharp increase in energy debt since 2019, from an average energy debt of £774, rising to approximately £1,400 in 2024 – an 80% increase.

High costs of living in rural Wales

In Wales, the increasing cost of living, particularly in rural areas, is exacerbated by higher house prices relative to incomes, limited access to affordable transportation and rising prices of essential goods, particularly because of the low energy efficiency of older housing stock and high costs of off-gas grid energy – costs which are not regulated by Ofgem and which have increased even more than gas and electricity. The ‘hidden poverty’ in rural Wales, compounded by cultural stereotypes and inadequate support networks, means many low-income households face a ‘triple squeeze’ from high costs, low incomes and limited support (Woods, 2024). This situation is further strained by the conversion of rental properties into holiday lets, reducing the availability of affordable housing. Consequently, some costs of living are on average higher in rural areas, and there are additional barriers to accessing help. Addressing these issues requires a comprehensive policy response that includes community-based interventions and structural changes to support rural households effectively.

Food insecurity

Around 1 in 5 people in poverty (20%) were food insecure in the period 2019–23, meaning they were either not able to afford enough food, were at risk of this or could not afford enough nutritious food for a healthy and varied diet (full details of how food security is measured in the Family Resources Survey (FRS) can be found in Annex 3). This represents around 130,000 individuals.⁵ In comparison, only 6% of individuals who were not in poverty were food insecure.

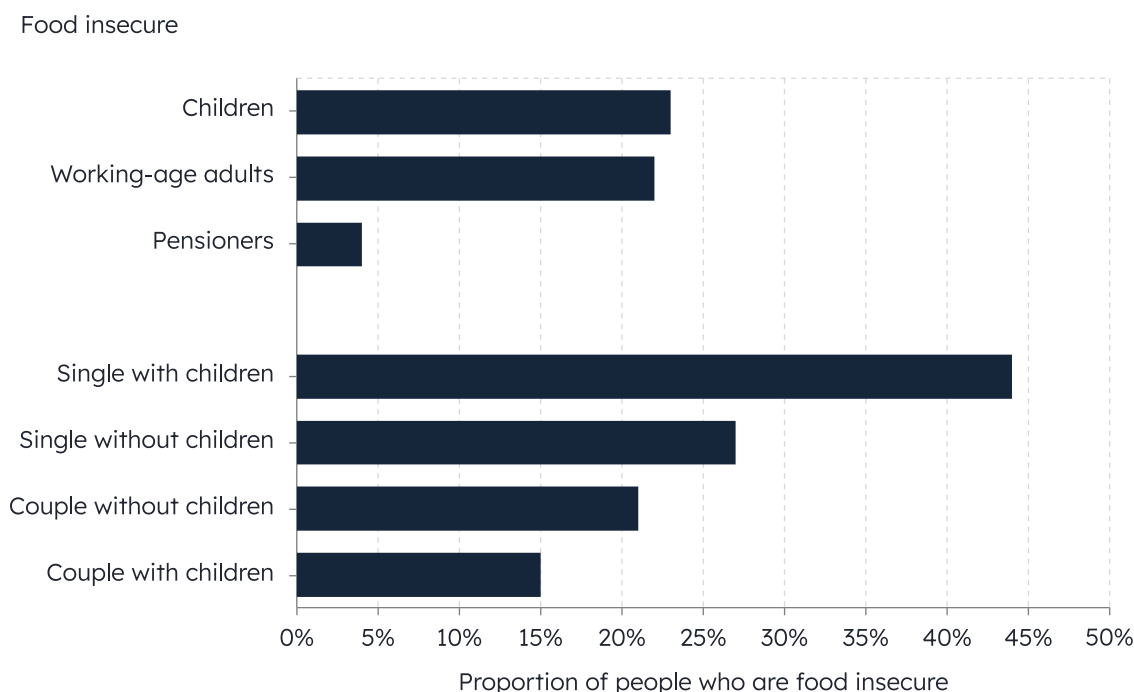
The experience of food insecurity is widespread among people on low incomes, but its prevalence appears to grow the worse off people are. Research by Heriot-Watt University for JRF found that a majority (61%) of people across the UK who experienced destitution – the severest form of hardship – lacked food in 2022 in the month before the survey (Fitzpatrick et al., 2023).

The prevalence of food insecurity varies between different groups of people in poverty. In 2019–23, almost 1 in 4 children in poverty (23%) experienced insecurity, with a similar picture for working-age adults (22%). Meanwhile, only 4% of pensioners in poverty were food insecure.

Comparing family types, people in poverty in lone-parent families were the most likely to experience food insecurity. Over 4 in 10 people in lone-parent families in poverty (44%) were food insecure. Single adults without children also had an elevated risk (27%) compared with equivalent working-age couple families (21%).

Children and people in lone-parent families face a higher risk of being in poverty than other groups. The fact that these groups are more likely to be food insecure, even when looking at people in poverty alone, indicates that they experience an additional degree of hardship that is not captured in the headline poverty statistics.

Figure 30: Among people in poverty, food insecurity is most common among children and people in lone-parent families



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: Shared households are excluded from household food security tables. A 3-year average is used to calculate percentages. Years included are 2019/20, 2021/22 and 2022/23.

People in households receiving means-tested benefits are also more likely to be food insecure, with 35% of people who are in poverty and on UC or legacy benefits facing food insecurity for the period 2019–23. This was around 6 times the rate of those who were in poverty but not on UC or legacy benefits (6%).

This highlights how the UK's benefits system is failing to ensure a basic standard of living. Not only is the basic rate of benefits insufficient to cover the cost of essentials, but there are also a number of policies and design features that can leave recipients with a shortfall of cash with which to buy adequate food. These include the 5-week wait for the first UC payment, deductions from UC to pay off debts and arrears, any future freezes or cuts to rates, the benefit cap and the social sector size criteria (also known as the 'Bedroom Tax') ([Schmuecker and Bestwick, 2023](#)).

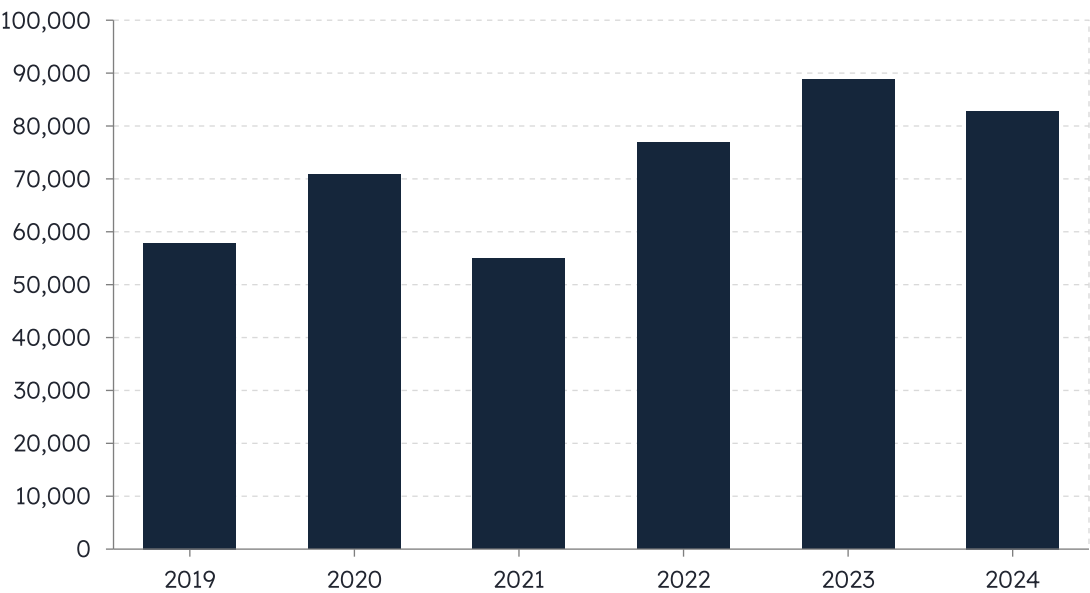
Disabled people and their families in poverty also face elevated risks of food insecurity. Approximately 1 in 4 people living in a household in poverty with someone who is disabled (26%) faced low or very low food insecurity in the 2019–23 period, compared with around 1 in 10 people in poverty with no one disabled in the household (12%). Disabled people are less likely to be in paid work and more likely to be in receipt of benefits. They can also face additional, disability-related costs, which disability benefits are intended to cover. However, the quality of disability assessments and the lengthy application process for these benefits can result in shortfalls ([Schmuecker and Bestwick, 2023](#)). Even when people are in receipt of these benefits, their entitlement often may not cover all their disability-related costs, and they may need to cut back in other areas to pay for these.

The latest Emergency Food Parcel Distribution in Wales report by Trussell highlights the number of emergency food parcels distributed by food banks within its network. The data presents a concerning picture: the demand for food banks remains close to record levels. Between April and September 2024, food banks in Wales distributed nearly 83,000 emergency food parcels. While this marks a 6% decrease compared to the same period in 2023, when 89,000 parcels were distributed, the overall need remains alarmingly high.

According to Trussell, this data reflects only part of the broader situation in Wales, as many other food aid providers also support individuals facing food insecurity, and a significant number of people experiencing poverty and hunger do not receive assistance from food banks at all. This suggests that the true scale of food insecurity is likely to be even more severe than these numbers indicate.

Figure 31: Emergency food provision remains higher than in recent years

Emergency food parcels distributed



Source: Trussell, Mid-Year Statistics 2024, Wales

If we compare the percentage change in food parcel distribution between 2022/23 and 2023/24 across the UK, we see an overall increase in most nations. England recorded a 5% rise, Northern Ireland saw the highest increase at 11%, and Wales experienced a 1% increase. Scotland was the only country not to see a rise, with a marginal 0.1% decrease. The long-term rise in food aid is even more striking when compared to 5 years ago (2018/19). Since then, Northern Ireland has seen a 143% increase, followed by England (109%), Wales (61%), and Scotland (21%).

Savings and debt

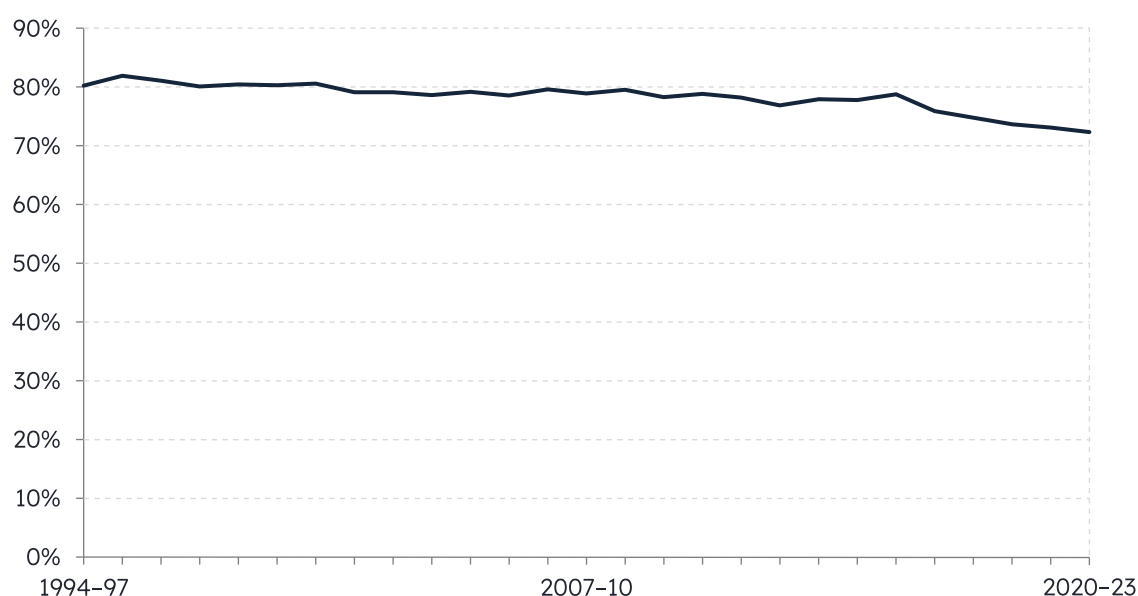
Living in poverty affects people's ability to build up, and sustain, household savings and increases their risk of getting into problem debt. This is worsened further when the cost of living – and so the prices of essentials such as housing, energy and food – rises. Furthermore, the stress caused by low savings and debt can contribute to mental health issues, with people who are behind on bills or have low levels of savings more likely than more financially resilient people to report indicators of mental distress.

The latest data shows that households on very low incomes are disproportionately likely to hold low levels of savings or no savings at all and are more likely to experience heavy burdens related to debt. When interest rates rise, those who have savings and can put money aside each month will see their financial stability improve, whereas those who have had to turn to debt or have fallen behind on bills because of affordability constraints will continue to struggle.

As of 2020–23, 72% of households in the bottom income quintile (the lowest 20% by income) had no savings or savings below £1,500 – leaving them highly vulnerable to unexpected financial shocks and more likely to fall into debt. This proportion has remained persistently high over the past 3 decades, fluctuating at around 80% from 1994–97 to 2016–19, before dipping slightly in recent years.

Figure 32: The proportion of families in poverty who report having savings of less than £1,500 has been falling since 2016–19

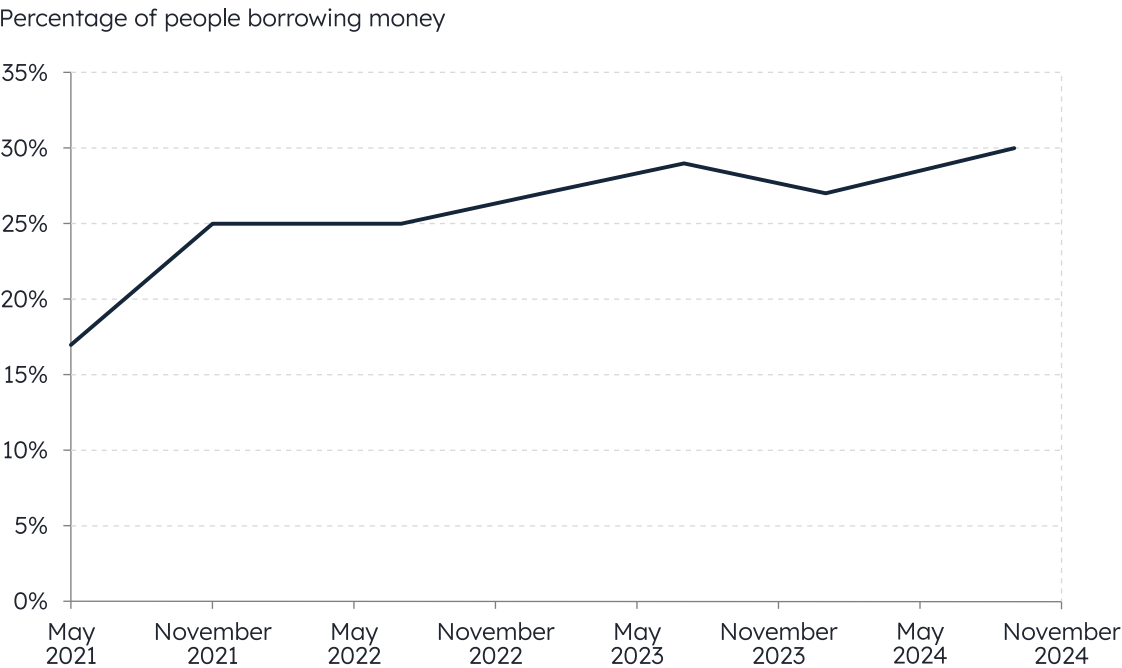
Proportion of families in poverty with savings of less than £1,500



Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Financial hardship has become the new norm for many communities in Wales (Davies and Evans, 2024) as the cost-of-living crisis continues to strain household budgets. Recent data highlights a concerning trend: the proportion of individuals borrowing money due to financial pressures has risen sharply, from 17% in May 2021 to 30% by September 2024 – nearly 1 in 3 people in Wales.

Figure 33: The proportion of people borrowing money as a result of financial pressure has been increasing since 2021

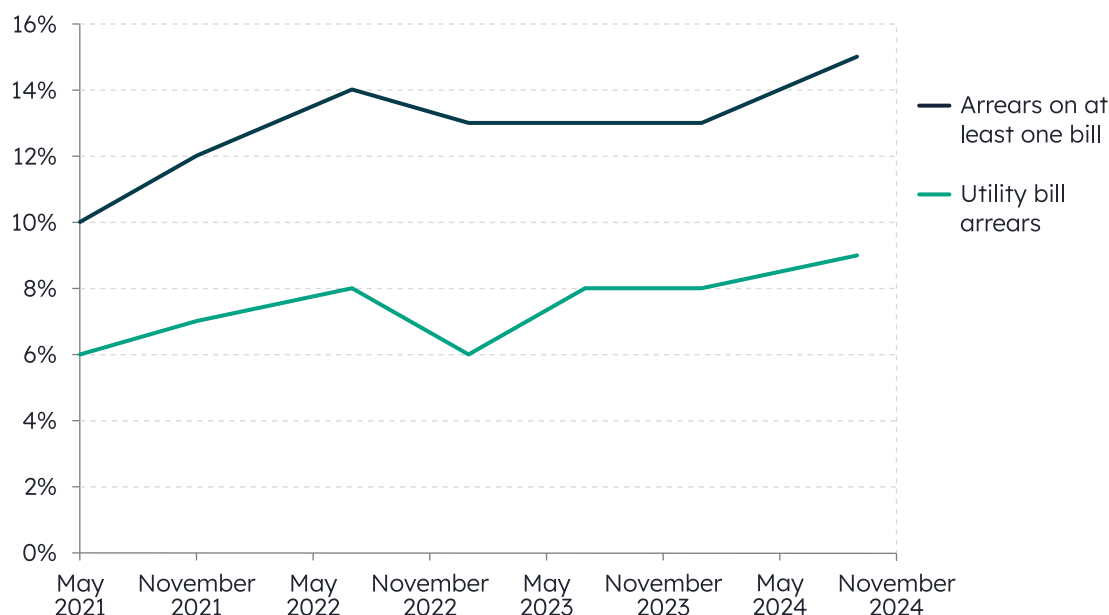


Source: Bevan Foundation, A snapshot of poverty in autumn 2024

Recent data shows a growing number of families falling behind on at least one bill. In May 2021, 10% of individuals reported being at least a month in arrears; by September 2024, this had risen to 15%, meaning that 1 in 7 people have been unable to cover their household bills for at least a month. The proportion of those behind on utility payments also increased, from 6% in May 2021 to 9% in September 2024.

Figure 34: The percentage of people behind on utility bills and at least one bill has increased since May 2021

Percentage of people behind on utility bills



Source: Bevan Foundation, A snapshot of poverty in autumn 2024

These figures reflect more than financial strain – they reveal the tough choices many households in Wales face every day. Without savings, families are more likely to fall behind on essential bills, take on high-interest debt, or go without basics like food or heating. Savings offer a vital buffer, helping people manage unexpected costs and build a more secure future. But for too many, especially those on low incomes, saving simply is not possible. The emotional toll – including stress, anxiety, and relationship strain – only deepens the hardship. Addressing this gap is essential to strengthening financial resilience across Wales.

Health and poverty

Among working-age adults, people living in poverty are more likely to suffer from poor health, particularly 35–49-year-olds in poverty, who are around 1.6 times more likely to be in poor health than those not in poverty. The gap is smaller for older age groups, with people aged over 65 in poverty 1.2 times more likely to be in poor health compared to those not in poverty. These differences are probably driven by multiple factors, including the availability and uptake of health screening or the longer life expectancy of higher-income households who may nevertheless have health issues towards the end of their life.

Table 9: Percentage of adults living in less than good health by poverty status, 2020–23

Age/Employment status	In poverty (%)	Not in poverty (%)
16–34 years old	25	21
35–49 years old	35	26
50–64 years old	51	37
65+	55	41
Employed	24	22
Inactive	53	48

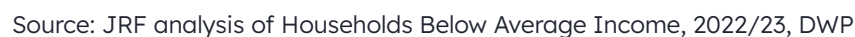
Source: JRF analysis of Households Below Average Income, 2022/23, DWP

Note: Unemployed category not shown due to small sample size.

Health inequalities exist from birth and continue throughout an individual's life. In Wales, data comparing the 20% most and least deprived areas shows gaps in life expectancy. In Wales, female life expectancy in the least deprived 20% of areas was 6.3 years longer than in the most deprived areas, and male life expectancy was 7.5 years longer (ONS, 2022). Male life expectancy in the most deprived areas has fallen by 4 months and female life expectancy by 10 months since 2011–13 (Public Health Wales Observatory, 2022).

The same pattern emerges when comparing the healthy life expectancy of people in the most and least deprived areas of Wales, with a large healthy life expectancy gap between the 2. The healthy life expectancy gap is 13.4 years for males and 16.9 years for females in Wales.

Figure 35: A higher proportion of people aged 16–34 are living in less than good health in 2020–23 compared to 2012–15, though other age groups have stayed level or seen a decline



Education and poverty

Education is a devolved power, which means that education systems vary across the 4 countries in the UK. Attainment in Wales is therefore not directly comparable to any of the other UK nations. In most cases, schools and governments do not collect information on the incomes of parents, so we need to use other information that is available to identify when children might be growing up in a household in poverty or with low/lower incomes.⁶ In this section, we mainly use free school meals (FSM) data. Students are eligible for FSM for a variety of reasons including if their parents receive low-income benefits such as UC (if their household income after tax is less than £7,400) or Income Support ([Turn2Us, 2024](#)). It is important to note that the income threshold for FSM eligibility has been frozen, so the children eligible are in the poorest families, and increasingly so compared with the past.

The Welsh Government recently published the attainment difference (in months) by FSM status. In Year 6, children in receipt of FSM are over 2 years behind students not on FSM in numeracy (reasoning) and reading (English and Welsh) and just less than 2 years behind in procedural numeracy ([Welsh Government, 2024c](#)).

Table 10: Attainment in Wales

2022/23		FSM	Non-FSM	Attainment gap
Aged 16	Percentage of GCSE entries awarded A*–C	40%	68%	29 percentage points

Source: StatsWales

Note: Numbers are rounded. Teacher assessment of Key Stage 2 is no longer published by FSM status ([Welsh Government, 2019](#)).

Attainment gaps persist from primary into secondary education. In Wales, there is a 29-percentage-point gap in the GCSE entries awarded an A*–C grade.

The education system in Wales has changed over time including its curriculum, focus, examinations and measurements of success, making it difficult to track comparable changes. However, we can be certain that there has consistently been a gap between the least and most disadvantaged children and that this is not new and will not close soon with current rates of progress.

In Wales, the attainment gap between students in receipt of FSM and students not in receipt of FSM in achieving A*-C grades awarded at GCSE level remained relatively constant between 2016/17 and 2018/19, sitting at around 28 percentage points. In 2019/20, the year most impacted by the Covid-19 pandemic, the attainment gap fell to 25%. However, this has steadily increased since then to 29 percentage points in 2023/24, with attainment falling faster for children on FSM than for those not on FSM. Note that this comparison will be affected by the frozen income threshold for FSM eligibility.

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Annexes

Annex 1: Poverty definitions

Being in poverty is when your resources are well below what is enough to meet your minimum needs, including taking part in society. There are a range of ways to measure poverty. The headline measures we use in this report include the following:

- **Relative poverty after housing costs (AHC)** – that is, where someone's household income after they have paid their housing costs is below 60% of the median, adjusted for family size and composition. This looks at whether the incomes of poorer households are catching up with average incomes.
- **Relative poverty before housing costs (BHC)** – similar to relative poverty AHC, this is where someone's household income is below 60% of the median, adjusted for family size and composition, but it does not remove housing costs. This looks at whether the incomes of poorer households are catching up with average incomes but does not account for differing housing costs between families.
- **Absolute poverty after housing costs** – that is, where someone's household income is below a fixed line based on an inflation-adjusted previous year's poverty line (set at 60% of median income after housing costs in 2010/11). This looks at whether the incomes of poorer households are increasing faster than inflation. There is no analytical reason as to why it is set in 2010/11; instead, this is a historic policy choice.

One important thing to note is that these measures are based on household income and vary in how sensitive they are to changes in the cost of living and high inflation. Of these measures, absolute poverty is most directly affected by immediate changes in the cost of living, as the poverty line rises by inflation. Relative poverty (before and after housing costs) is less sensitive to changes in the cost of living, with changes in both mainly determined by how the incomes of poorer households compare to those with higher incomes.

In this report, when we use the term 'poverty', we are using the relative poverty rate after housing costs to measure poverty unless otherwise stated.

Adjustments (known as equivalisation) are made to incomes to make them comparable across households of different sizes and compositions. For example, the process of equivalisation would adjust the income of a single person upwards so their income can be compared directly to the standard of living of a couple. The relative poverty thresholds after housing costs and what the median household income would be if adjusted to correspond to various family types are given in Table 9.

Table 11: Poverty thresholds vary by family type

Household type	Median income		Poverty threshold (60% of median)		Deep poverty threshold (50% of median)		Very deep poverty threshold (40% of median)	
	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual
Lone parent with two children, one 14 and over and one under 14	£654	£34,100	£392	£20,500	£327	£17,100	£262	£13,600
Couple with two children, one 14 and over and one under 14	£883	£46,000	£530	£27,600	£442	£23,000	£353	£18,400
Couple with two children both under 14	£763	£39,800	£458	£23,900	£382	£19,900	£305	£15,900
Adult, no children	£316	£16,500	£190	£9,900	£158	£8,200	£126	£6,600
Couple with no children	£545	£28,400	£327	£17,100	£273	£14,200	£218	£11,400

Source: Households Below Average Income, 2022/23, DWP

Other indicators that you might see in this report are covered in Table 10. These are used for a variety of reasons, including due to a lack of information to calculate one of the poverty measures above or to show a slightly different perspective on people's experience.

Table 12: Definitions of measures of poverty, low income and deprivation

Measure	How is it measured?	What does this show?
Income deciles	We often talk about people living on a low-income who are in income deciles 1 and 2 (the bottom 20% of incomes, otherwise known as the bottom quintile). We calculate this by equalizing incomes and then ordering them from lowest income to highest income and selecting the bottom 20% of people or households.	This measure is often used when there is not enough information to measure relative poverty. It is a relative measure as the income distribution changes over time and it allows us to compare the experiences of low-income households over time. It is also a good proxy for relative poverty, as over the last 20 years, the UK poverty rate has been between 20% and 22%, so mostly overlaps with the bottom 2 deciles.
Combined low-income and material deprivation	The proportion of people living in families that cannot afford a range of basic goods and services, such as 'having a warm winter coat' and 'keeping the house warm', as well as having a low-income BHC (less than 70% of the median).	Material deprivation is likely to rise if relative poverty (BHC) rises and/or the cost of essentials increase for example, due to inflation.
Index of multiple deprivation	Multiple deprivation is measured at a local level to capture the advantages and disadvantages experienced, on average, by people living in that area. It includes multiple aspects of deprivation. For example, it includes income deprivation as well as other areas such as employment, education, health and housing.	Indexes of multiple deprivation are good at showing the opportunities or barriers that people, living in a local area, may face. This is helpful for identifying areas that may need additional support through local service provision as well as highlighting areas where people may have to overcome additional barriers. It is not good at identifying challenges faced by specific families. For example, it is possible for families to still be in poverty in an area with a very low level of deprivation.
Persistent poverty	Persistent poverty captures people who have lived in poverty over a period of time, normally measured as being in relative poverty (AHC) in three or more of the last four years.	Persistent poverty shows the extent to which families remain trapped in poverty over time.

Measure	How is it measured?	What does this show?
Deep and very deep poverty	Deep and very deep poverty are variations on relative poverty (AHC). Deep poverty is where someone's household income is below 50% of the median and very deep poverty is when their household income is below 40% of the median.	Deep and very deep poverty capture how far families in poverty are from the poverty line. If deep or very deep poverty increase but poverty stays the same it shows that people in poverty are getting further away from the median income and deeper into poverty.
Social Metrics Commission's core measure of poverty	The Social Metrics Commission's measure captures whether someone has low material resources compared with inescapable costs, including housing costs. This looks beyond income at all material resources, assesses extra costs, including those due to disability and childcare, and includes people sleeping rough. (Social Metrics Commission, 2018). It also uses a smoothed poverty line to avoid potentially misleading year-on-year changes.	This measure is more comprehensive and therefore useful in understanding incomes relative to the incomes of others as well as relative to the inescapable costs that families must spend money on, such as childcare and housing.

Annex 2: Notes on data quality's impact on analysis in the Family Resources Survey

The majority of findings in this report come from data collected in the Family Resources Survey (FRS) in 2022/23 and previously, and the Households Below Average Income (HBAI) data that was generated from this. These datasets are the UK's official source of poverty estimates. They are used to estimate current levels of poverty across the UK and whether and how the poverty rate has changed over time.

Fieldwork for the 2022/23 survey was similar to that used before the Covid-19 pandemic, being conducted mainly face-to-face, unlike in 2020/21 and 2021/22 when restrictions in place during the pandemic affected data collection and interviews were carried out by telephone. The sample size for the survey in Wales in 2022/23 was the largest ever at around 1,500 households, an increase on the sample sizes for the previous years, which were between around 750 and 900 households in survey years 2011/12 to 2019/20, and 2021/22. Geographic regions are part of the building blocks for the FRS sample, which means the proportion of the sample in Wales should not fall below a minimum level.

It is important to note that the DWP has advised that the 2020/21 data should not be included in calculations of any 3-year averages for estimates, which are used throughout this report. This means that the latest figures presented in this report based on 3-year averages are, in fact, only an average of estimates from the 2021/22 and 2022/23 data. The larger 2022/23 sample size does mean the number of cases in the latest 2 survey years is not much lower than the 3-year sample size pre-pandemic.

In terms of other points to note in the 2022/23 survey data, income data includes imputed cost-of-living payments. The imputation looked at eligibility at the interview date, and the payment was assumed to last until the next payment of that type was received by the respondent.

Note that DWP has yet to include UK population and private household estimates based on the 2021 Census (2022 for Scotland) in their grossing up of the sample to population estimates. When this is done, there are very likely to be revisions of the survey results from 2011/12 onwards.

Useful background information:

- Households Below Average Income series: Quality and methodology information report FYE 2023: <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023/households-below-average-income-series-quality-and-methodology-information-report-fye-2023>
- Family Resources Survey: Background information and methodology: <https://www.gov.uk/government/statistics/family-resources-survey-financial-year-2022-to-2023/family-resources-survey-background-information-and-methodology>
- Family Resources Survey: Release strategy: <https://www.gov.uk/government/publications/family-resources-survey-release-strategy/family-resources-survey-release-strategy>

Annex 3: Food security questions in the Family Resources Survey

In the Family Resources Survey, the respondent is read 3 statements about food security and asked whether the statement was ‘often true’, ‘sometimes true’ or ‘never true’ for them in the last 30 days.

1. [I or we] worried whether our food would run out before [I or we] got money to buy more.
2. The food that [I or we] bought just didn’t last, and [I or we] didn’t have money to get more.
3. [I or we] couldn’t afford to eat balanced meals.

Unless all 3 questions are answered as being ‘never true’, the respondent is then asked the following questions:

1. Did you (or other adults in your household) skip or cut meals because there wasn’t enough money for food? How many days did this happen?
2. Did you (or other adults in your household) ever eat less than you felt you should because there wasn’t enough money for food?
3. Were you (or other adults in your household) ever hungry but didn’t eat because there wasn’t enough money for food?
4. Did you (or other adults in your household) lose weight because there wasn’t enough money for food?
5. Did you (or other adults in your household) ever not eat for a whole day because there wasn’t enough money for food? How many days did this happen?

From the questions, a 10-point household score is generated. One point is scored for each 'positive' answer, that is, answers of 'often true', 'sometimes true' and 'yes' (with an additional point if '3 days or more' is selected for the second part of questions 4 and 8).

High food security (score = 0): the household has no problem, or anxiety about, consistently accessing adequate food.

Marginal food security (score = 1 or 2): the household had problems at times, or anxiety about, accessing adequate food, but the quality, variety and quantity of their food intake were not substantially reduced.

Low food security (score = 3 to 5): the household reduced the quality, variety and desirability of their diets, but the quantity of food intake and normal eating patterns were not substantially disrupted.

Very low food security (score = 6 to 10): at times during the past 30 days, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money and other resources for food.

Food-secure households are those with a high or marginal food security status.

Food-insecure households are those with a low or very low food security status.

Notes

1. This section has been updated to include the latest 2021–24 data, which was published after most of the analysis for this report was completed. Therefore, the latest data for other sections will be 2020–23.
2. A person is defined as a child if they are 16 to 19 years old and they are: neither married nor in a civil partnership nor living with a partner; living with parents/a responsible adult and in full-time non-advanced education or in unwaged government training.
3. Disability is defined according to the core definition within the Equality Act 2010: ‘a physical or mental impairment which has a substantial and long-term adverse effect on the ability to carry out normal day-to-day activities’.
4. Mental health conditions include difficulty with learning, understanding or concentrating, memory, mental health, and social or behavioural difficulties (for example associated with autism, attention deficit disorder or Asperger’s syndrome). Physical disability includes difficulty with vision, hearing, mobility, dexterity, stamina, breathing or fatigue. The Other disability category is a specific response category included in the survey to capture any other disability not included in the given response list. Only people who say that their condition limits their daily life a lot or a little are included in these categories.
5. Figures in this section use the 3 usable survey years with food security data, 2019/20, 2021/22 and 2022/23.
6. People are eligible for free school meals for a variety of reasons including receiving low-income benefits such as UC (if their household income after tax is less than £7,400) or Income Support ([Turn2Us, 2024](#)).

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