

STATE OF WALES BRIEFING

October 2018

**Poverty:**

Poverty rates in Wales

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# State of Wales Briefing: Poverty

## Key messages

- The poverty rate in Wales has stayed broadly the same in the last five years.
- Over 60 per cent of children in poverty live in a working household.
- The poverty rate amongst pensioners has increased in the last five years.

## Why it matters

Living in poverty has a significant impact on a person's life, with people living in poverty having a shorter life expectancy than people on higher incomes.

## How it is measured

The most commonly used measure of poverty is the number or proportion of the population that lives in a household whose income is less than 60% of median income, adjusted for their household size and type – the relative income poverty measure. It can be measured before or after housing costs (BHC and AHC).

Another commonly used measure is material deprivation. A person is said to live in material deprivation if they cannot afford three or more of nine everyday items such as a car or healthy meal. Both measures are referred to in this briefing.

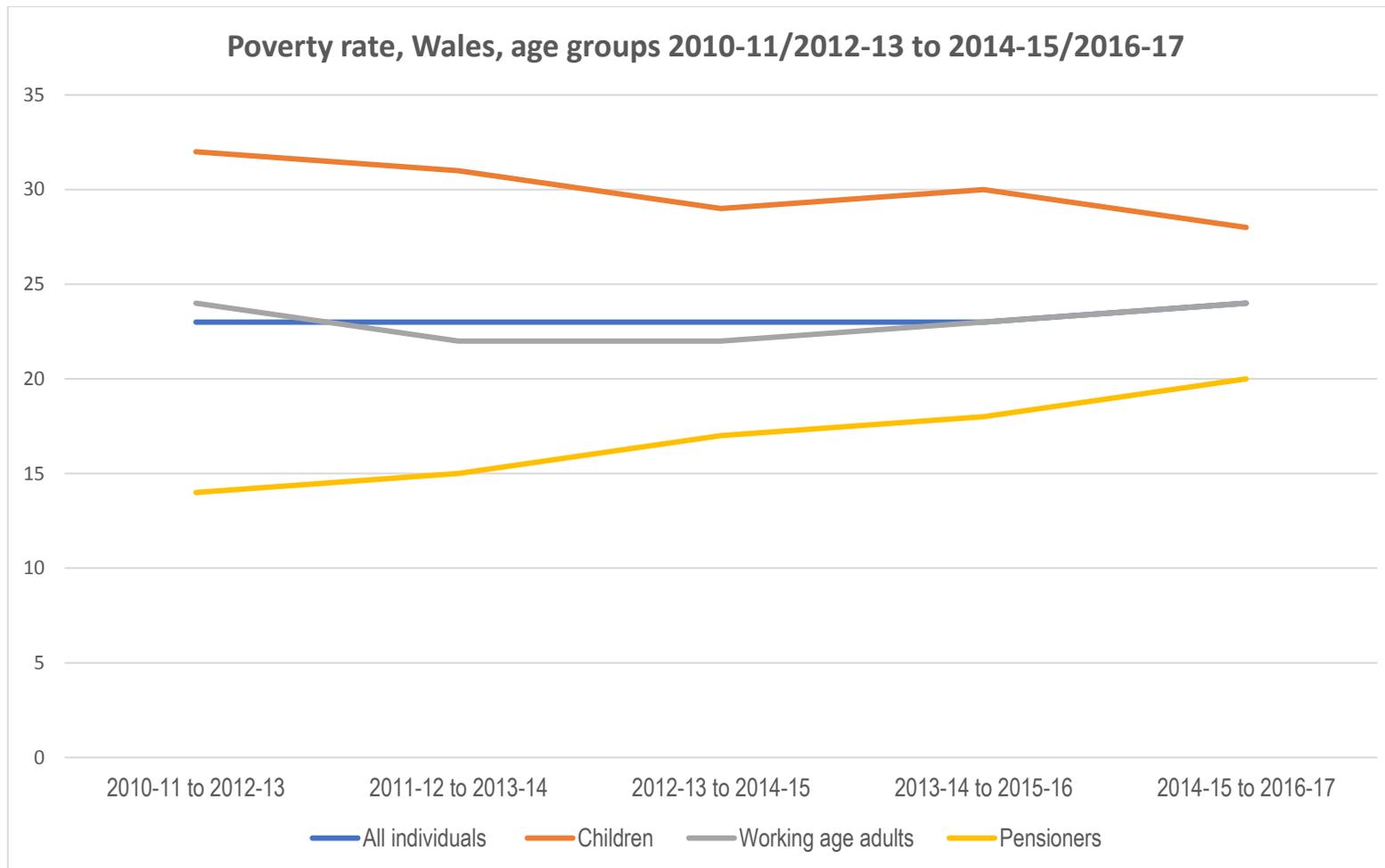
## Overview

24 per cent of the Welsh population live in relative income poverty AHC, some 720,000 people. The relative income poverty rate in Wales is higher than that in England, Northern Ireland and Scotland.

In the last five years, the proportion of the total population in poverty has stayed broadly the same, but there has been a slight decrease in the proportion of children in poverty and a slight increase in the proportion of pensioners.

## The role of housing

Housing has a significant impact on the proportion of people living in poverty in Wales, with 20 per cent of people in poverty BHC (approximately 600,000 people) compared with 24 per cent (approximately 720,000) AHC.



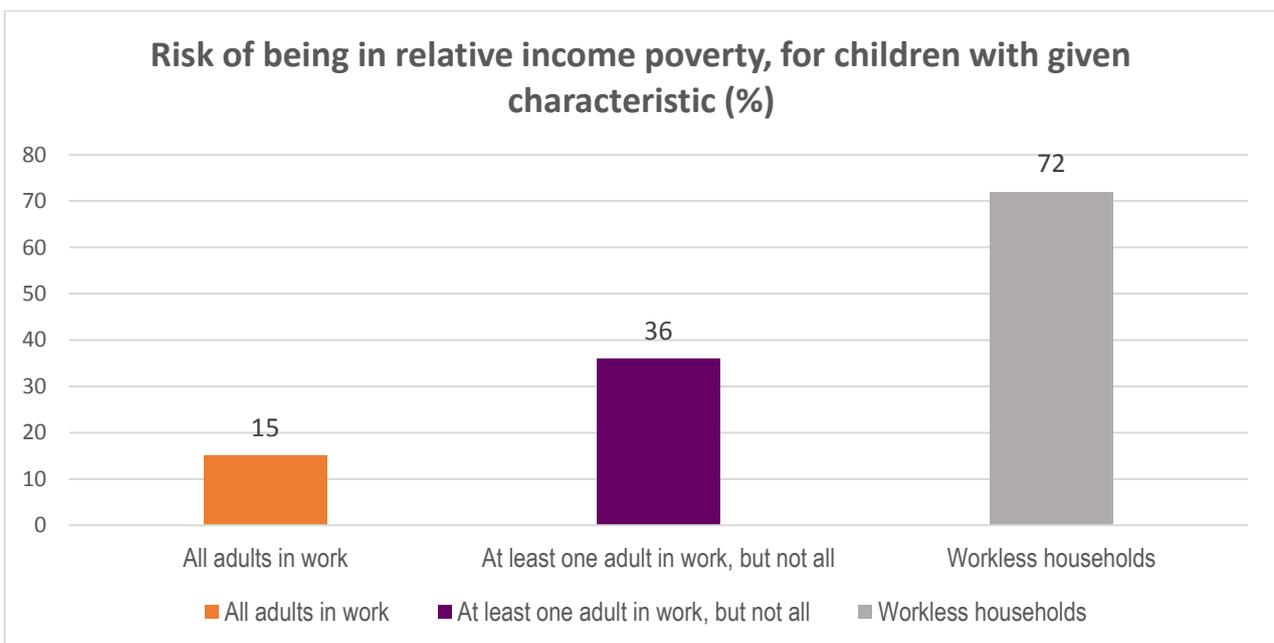
Source: *Stats Wales - [Percentage of all individuals, children, working-age adults and pensioners living in relative income poverty for the UK, UK countries and regions of England](#)*

## Child poverty

- Children are the age group that are most likely to live in poverty.
- Approximately 180,000 children in Wales live in poverty.
- The proportion of children living in poverty in Wales has dropped by 4 percentage points over the past five years, from 32 per cent to 28 per cent.
- Wales is no longer the UK nation with the highest rate of children living in poverty. 30 per cent of children live in poverty in England. A higher proportion of children still live in poverty in Wales than Northern Ireland (26 per cent) and Scotland (24 per cent) however.

## Work and child poverty

- There is a clear relationship between a family's economic status and their risk of living in poverty. Children living in households where all adults are in work are nearly five times less likely to live in poverty than those in workless households.
- Despite this, over 60 per cent of children who live in poverty are in a household where someone works (110,000 children compared with 60,000 children).



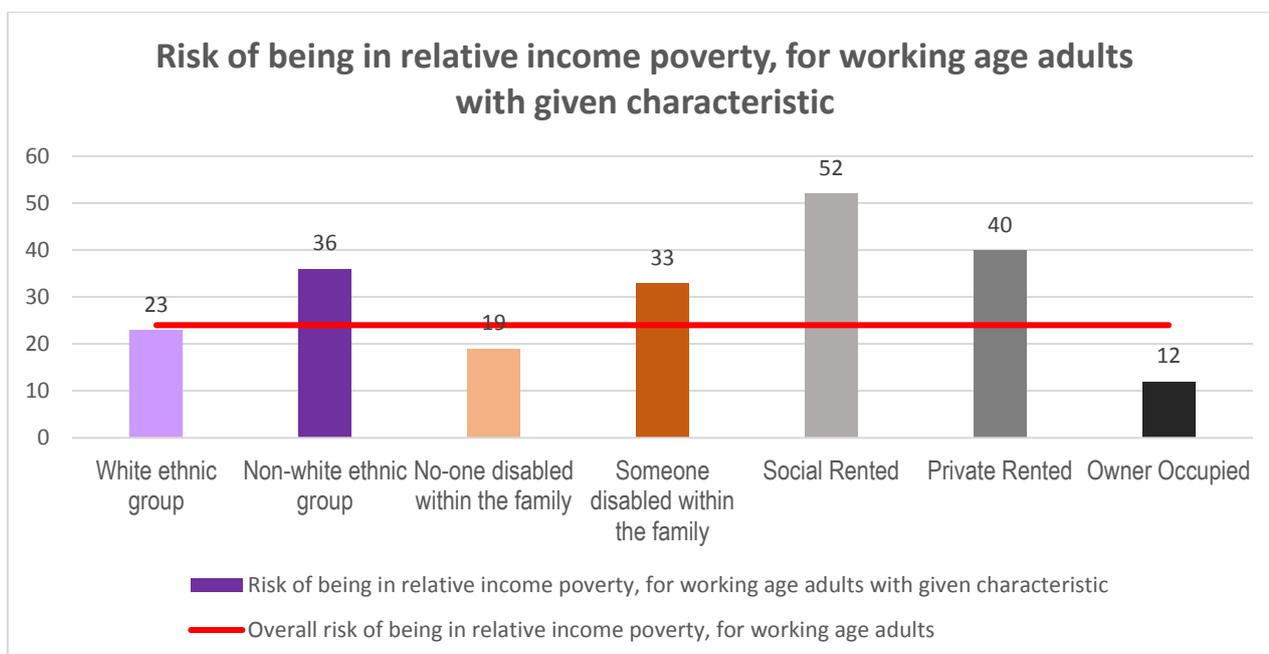
Source: Stats Wales - [Children in relative income poverty by economic status of household](#)

## Material deprivation

- The percentage of children living in material deprivation and low income households has been falling for the past five years.
- In 2010-11 to 2012-13 18 per cent of children lived in material deprivation and low income households.
- In 2014-15 to 2016-17 the proportion had dropped to 10 per cent.

## Working age adults

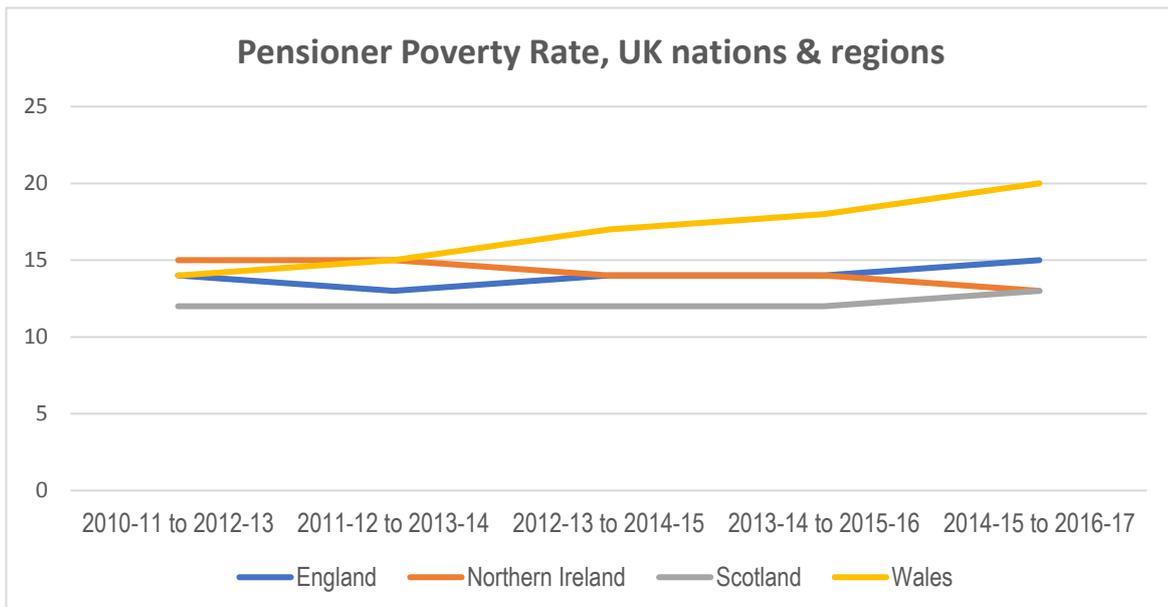
- Approximately 420,000 working age adults live in poverty in Wales.
- The proportion of working age adults living in poverty stands at 24 per cent, the same as five years ago.
- A higher proportion of working age adults in poverty in Wales is higher than in any other UK nation. Only in London is the poverty rate higher than in Wales.
- The majority of working age adults living in poverty live in working households: 250,000 in working households and 170,000 in workless households.
- Of the 250,000 living in poverty in working households 120,000 live in households where all adults are in work, 130,000 live in households where one but not all adults are in work.
- The group least at risk of living in relative income poverty are those living in households where all working age adults are in full time work - 7 per cent. The risk rises to 30 per cent where there is no adult in full time work but one or more in part time work, 34 per cent where there is one adult in full time work and another that is not in work, and 54 per cent for those in workless households.
- The risk of poverty is higher for working age adults if there is a disabled person within the family, or, if the household is headed by someone from an ethnic minority background.
- Working age adults living in rental accommodation are more likely to live in poverty than owner-occupiers.



Sources: Stats Wales - [Working age adults in relative income poverty by tenure type](#)  
 Stats Wales - [Working age adults in relative income poverty by ethnicity of the head of household](#)  
 Stats Wales - [Working age adults in relative income poverty by whether there is disability in the family \(Equality Act definition\)](#)

## Pensioners

- Approximately 120,000 pensioners live in poverty in Wales.
- The proportion of pensioners living in poverty in Wales has increased significantly over the past five years, from 14 per cent to 20 per cent.
- The pensioner poverty rate in Wales is far higher than in the other UK nations. Only London (21 per cent) has a higher rate of pensioner poverty than Wales.



*Source: [Stats Wales - Percentage of all individuals, children, working-age adults and pensioners living in relative income poverty for the UK, UK countries and regions of England](#)*

- Disability is a less of risk factor for poverty amongst pensioners than amongst other age groups. 22 per cent of pensioners live in poverty if there is a disabled person within the family, compared to 18 per cent where there is no disability.
- Housing costs are also less of a risk factor for pensioners than other age groups. Whilst 20 per cent of pensioners live in relative income poverty after their housing costs are deducted, 22 per cent live in poverty before their housing costs are deducted. Pensioners are the only age group in Wales to see their risk of living in poverty reduced after the deduction of housing costs.
- Gender has an impact on pensioner poverty: 18 per cent of pensioner couples live in poverty as do 18 per cent of single males but 24 per cent for single female pensioners.

## Material deprivation

- Whilst the proportion of pensioners living in poverty has increased in recent years the proportion living in material deprivation has remained constant. In 2014-15 to 2016-17, 9 per cent of pensioners lived in material deprivation, the same as 2010-11 to 2012-13.

## State of Wales Briefings

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