

A snapshot of poverty in Summer 2023

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FOUNDATION

September 2023



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Acknowledgements

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Bevan Foundation, 145a High Street, Merthyr Tydfil CF47 8DP
info@bevanfoundation.org www.bevanfoundation.org

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1. Introduction and key findings

The past three years have been incredibly difficult for almost everyone in Wales. With the cost-of-living crisis following on immediately from the Covid pandemic, many people have had little or no respite from financial pressures. The Bevan Foundation's *Snapshot of Poverty* series has become a vital tool for anyone who wants to understand poverty in Wales.

As inflation finally begins to slow down, some may hope that the worst is now behind us. This report, the sixth published as part of our *Snapshot* series, looks at whether there are any signs of improvement in people's living standards.

1.1 Key findings

There have been no major improvements in people's living standards across Wales since our last *Snapshot* survey in January 2023. This means that:

- More than one in seven households in Wales (15 per cent) sometimes, often or always struggle to afford essential items.
- Large numbers of people are going without essentials including more than one in four (26 per cent) eating smaller meals or skipping meals in their entirety.
- Debt is a significant problem with 29 per cent of people borrowing money between April 2023 and July 2023 and 13 per cent being in arrears on at least one bill for at least one month.
- The cumulative effect of the cost-of-living crisis can make life even more difficult for people. More than four in ten people who have cut down on the size of meals or skipped meals entirely have borrowed money from friends and family (45 per cent) or on a credit card (42 per cent) since April 2023.
- People's health is being negatively affected by their financial position. 45 per cent of people report this in respect of their mental health and 28 per cent report this in respect of their physical health.

The one positive finding is that there has been a reduction in the proportion of people going without heating in their home, down from 39 per cent in January 2023 to 27 per cent in July 2023. This should not be a cause for celebration as people need less heating over the summer, and the figure is likely to increase in the winter months without an improvement in household finances.

The fact that there has been little change in living standards over the first half of 2023 raises significant concerns about how people will cope in the coming months. Throughout winter 2022/23 significant extra support was provided to households by the UK, Welsh and local governments. Whilst some additional support has been announced for the coming winter, it seems set to be at a much smaller scale than winter 2022/23. Given that the number of people who are struggling financially remains extremely high, the levels of hardship faced by people this winter could be significant unless there is a change in course from all tiers of government or a major improvement in people's financial positions.

It is well established that the cost-of-living crisis is not affecting everyone equally. With current indications suggesting that it is unlikely that there will be large scale, population-wide interventions on living costs, understanding which groups are most affected has

never been more important. The survey highlights that some groups have been especially hard hit:

- **People on benefits:** nearly half of people on Universal Credit or legacy benefits have skipped or cut down on the size of a meal (49 per cent) or gone without heating in their home (45 per cent).
- **Renters:** nearly half of all renters borrowed money from at least one source in the three months to July 2023 (47 per cent social renters and 45 per cent private renters), with 48 per cent of private renters skipping or cutting down on meals.
- **Disabled people:** more than four in ten disabled people whose condition limits them a lot have gone without heating (41 per cent) or cut down on or skipped a meal (46 per cent).
- **Parents of children under 18:** nearly half (47 per cent) of parents have borrowed money between April and July 2023.

1.2 About this briefing

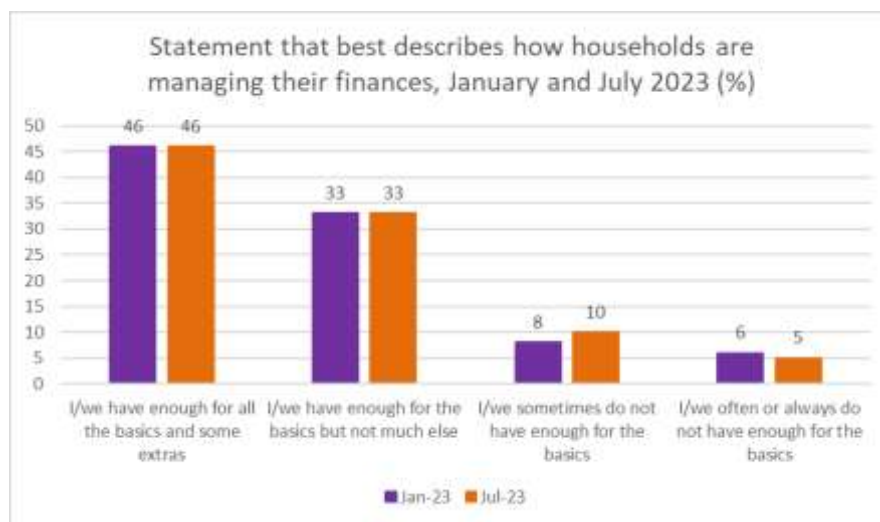
All figures quoted in this briefing unless otherwise stated are from YouGov Plc. The total sample size was 1,055 adults. Fieldwork was undertaken between the 21st and 26th of July 2023. The survey was carried out online. The figures have been weighted (unless specified otherwise) and are representative of all Welsh adults (aged 16+).

2. The impact of the cost-of-living crisis – A national overview

The findings from our latest *Snapshot* survey provides a sobering reminder of just how difficult life is for thousands of people across Wales. The latest survey is the sixth report published as part of our series and the first since January 2023. Concerningly, the latest report shows no major improvement in people's living standards. This raises important questions about how some people will manage financially as we head into autumn and winter.

2.1 Living standards

There has been no significant change in the proportion of Welsh households reporting that they sometimes, often or always struggle to have enough for all the basics since January 2023. In total 15 per cent of Welsh households, more than one in seven, report that they struggle to afford the basics.



The fact that there has been no reduction in the proportion of households finding it difficult to afford the basics shows how little progress has been made in easing the impact of the cost-of-living crisis. This has very real implications for the coming winter. Throughout winter 2022/23 significant extra support was provided to households by the UK, Welsh and local governments. Whilst some additional support has been announced for the coming winter, it seems set to be at a much smaller scale than winter 2022/23. Given that the level of need remains high, there is a risk that the levels of hardship faced by people in winter 2023/24 will be even greater than winter 2022/23.

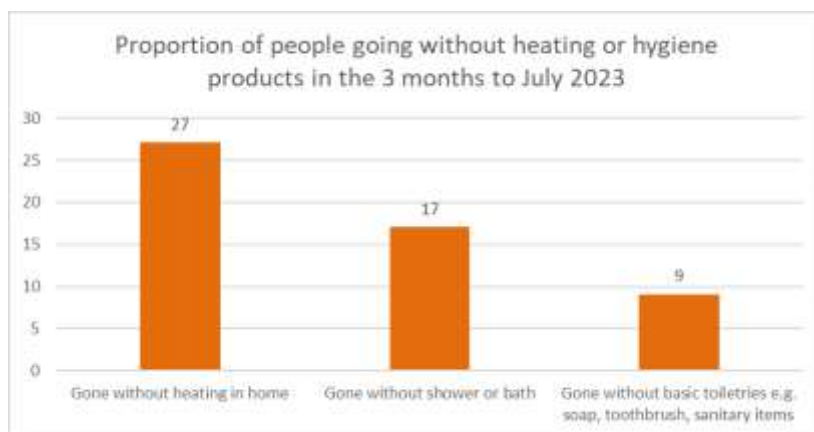
2.2 Access to heating and hygiene products

When looking at access to specific items a similar picture emerges. The only item where there has been any decrease in the proportion of people going without is heating. In the three months to January 2023, 39 per cent reported that they had gone without heating in their home. In the three months to July 2023 this had reduced to 27 per cent.

The reduction in the proportion of households going without heating, though welcome, should not be a source of celebration, as people use less heating over the summer. It is

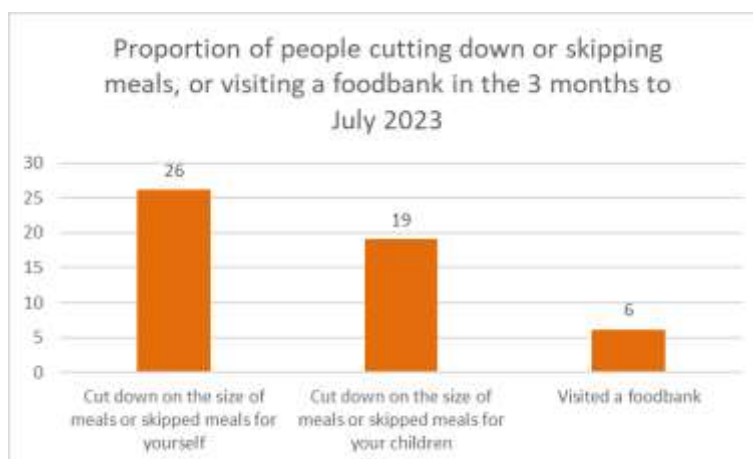
therefore likely that the figure will increase in the winter months unless there are major reductions in heating costs, additional government support or an extremely mild winter.

The survey also found people going without other essentials. One in six people (17 per cent) report that they went without a shower or a bath in the three months to July 2023 for financial reasons and one in ten people (9 per cent) report going without basic toiletries.



2.3 Access to food

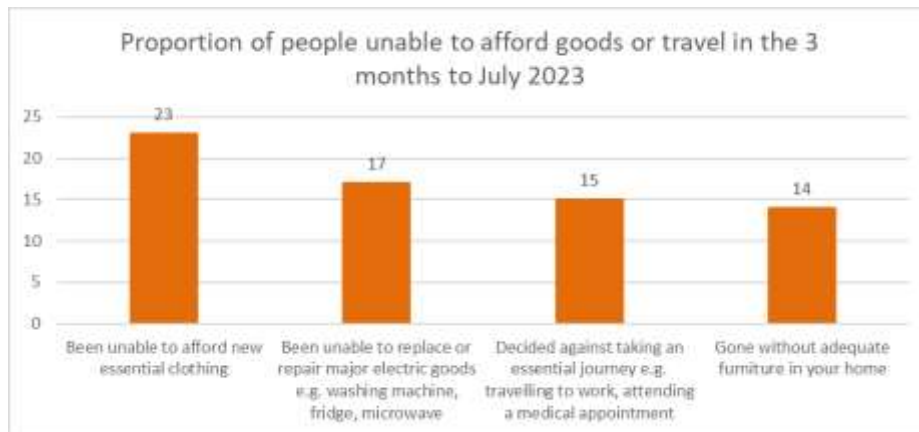
There has been no clear improvement in the ability of people to afford food since the turn of the year. A quarter of people in Wales (26 per cent) cut down on the size of their own meals or had skipped a meal entirely in the three months to July 2023 (compared to 24 per cent in January 2023). One in twenty (6 per cent) visited a foodbank over the same period. A fifth (19 per cent) of people living in a household with a child reported that they had cut back on the size of their child's meal or that their child had been forced to skip a meal.



2.4 Other essentials

People are also continuing to struggle to afford the cost of items such as clothing and transport. Nearly a quarter (23 per cent) of people have been unable to afford new essential clothing in the three months to July 2023, with 17 per cent reporting that they had been unable to replace or repair major electrical goods such as washing machines, fridges or microwaves. Others have decided against taking essential journeys with 15 per cent reporting that they had decided against making trips such as travelling to work or to

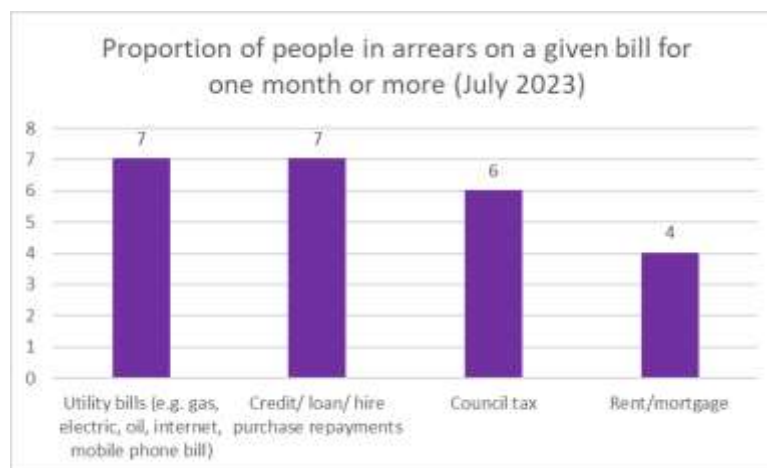
a medical appointment, with 14 per cent having gone without adequate furniture in their home.



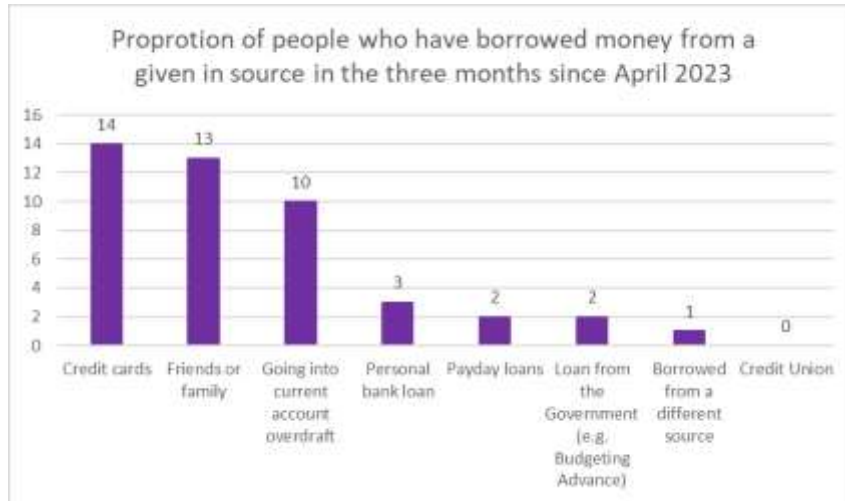
2.5 Debt

Levels of personal debt in Wales remain unchanged for the third *Snapshot* survey in succession. It should be noted that our data does not allow us to analyse the depth of people's debt. It is therefore possible that whilst the headline figures as to the number of people in debt has remained broadly similar, the amount owed by those in debt has increased or decreased. The amount owed by those in debt is likely to become increasingly important as interest rates rise.

The latest results show that 13 per cent of people in Wales had been in arrears on a bill for more than one month in January. There is no significant variation as to the source of people's arrears by bill type.



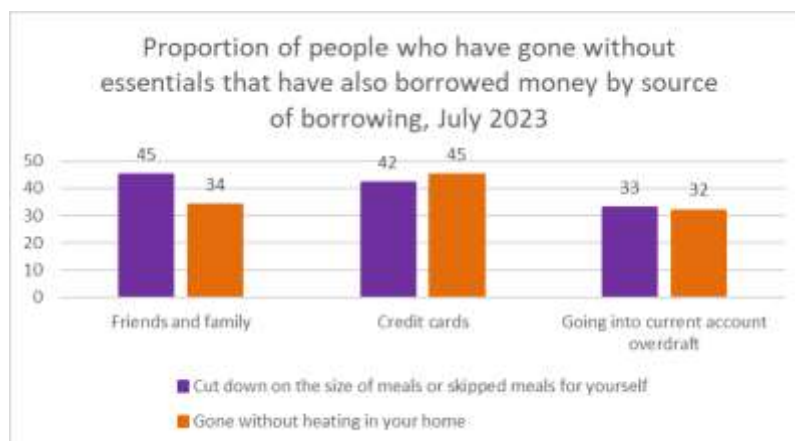
In total 29 per cent of people borrowed money from at least one source in the three months from April 2023. There are three primary sources that people have drawn on to borrow money between April and July 2023; credit cards (14 per cent) friends or family (13 per cent), and their bank overdraft (10 per cent).



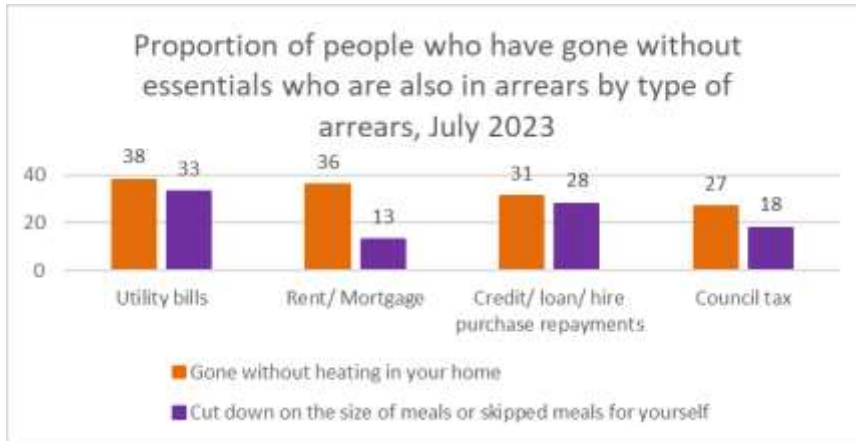
2.6 Debt and living standards

Many people struggling with the cost-of-living crisis face multiple forms of hardship. It is possible to combine our data on debt and living standards to get a better idea of how many people are both struggling with debt and struggling to cover their essentials. This provides us with a cumulative picture of the impact of the cost-of-living crisis. A person that has had to go without essentials is much more likely to report that they have had to borrowed money in the three months to July 2023 or that they are in arrears on at least one bill.

More than four in ten people who have cut down on the size of meals or skipped meals entirely have borrowed money from friends and family (45 per cent) or on a credit card (42 per cent) since April 2023, with a third of people who have gone without food going into their overdraft. In total, 45 per cent of people who have gone without heating in their home have borrowed money on their credit card since April 2023, with around a third borrowing money from friends and family (34 per cent) or going into their overdraft (32 per cent).

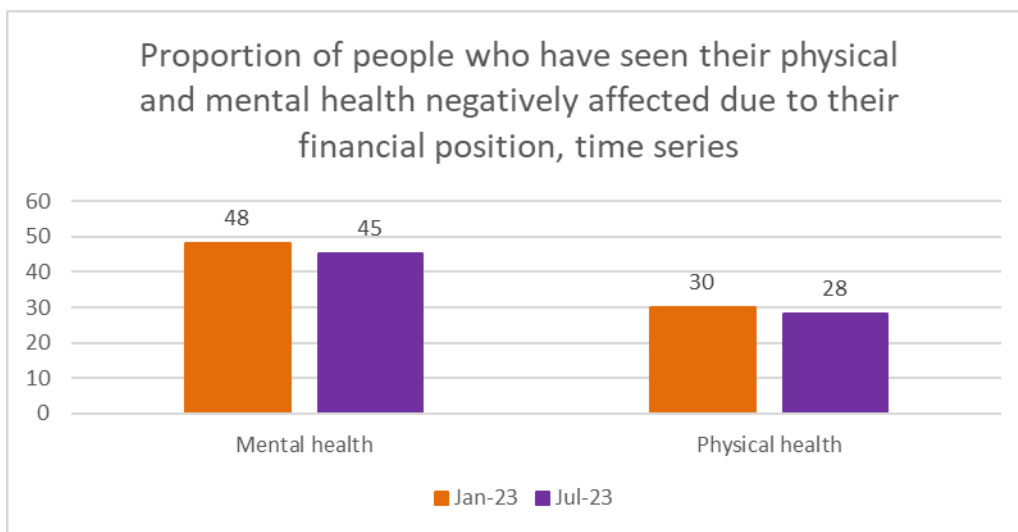


Similar pressures become evident when looking at arrears. More than a third of people who had gone without heating in their home were in at least one month's arrears on their utility bills (38 per cent) or on their rent or mortgage repayments (36 per cent) in July 2023. Around three in ten people who have cut back on the size of a meal or gone without a meal entirely were also in arrears on their utility bills as of July 2023 (33 per cent) or on their credit/ loan or hire purchase repayments (28 per cent).



2.7 Health

The impact of the cost-of-living crisis on people's health also shows no sign of relenting. Whilst the number of people reporting that their mental and physical health is being negatively affected by their financial position has reduced somewhat, the reduction is within the margin of error. With more than four in ten (45 per cent) still reporting that their mental health is being negatively affected by their financial position and nearly three in ten (28 per cent) saying so about their physical health, the health service seems set to be under significant pressure this coming winter.



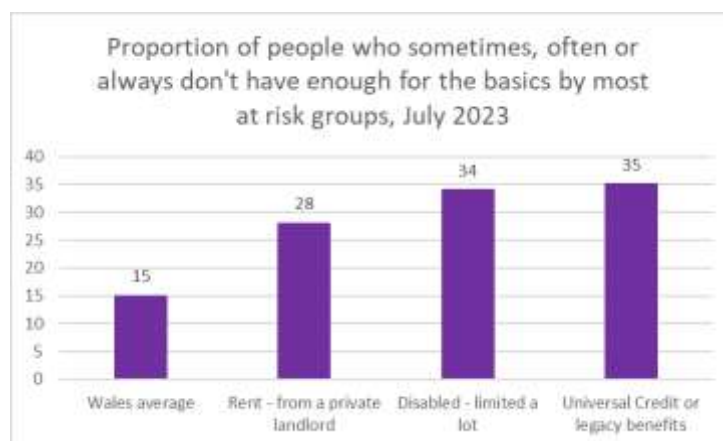
3. The unequal impact of the cost-of-living crisis

The cost-of-living crisis is continuing to squeeze people all over Wales. It has now been well established that whilst the majority of people are feeling the pinch, some are being more significantly affected by the cost-of-living crisis than others. With it appearing unlikely that we will see large, population-wide interventions to support people through the coming winter, identifying which groups are currently being most negatively affected has never been more important.

3.1 Living standards and debt

A number of groups are more likely to report that they struggle with the cost of everyday items than the general population. People living in low-income households, social renters, parents of children under 18, single people and working age adults are all more likely to report that they have sometimes, often or always struggle to afford the essentials.

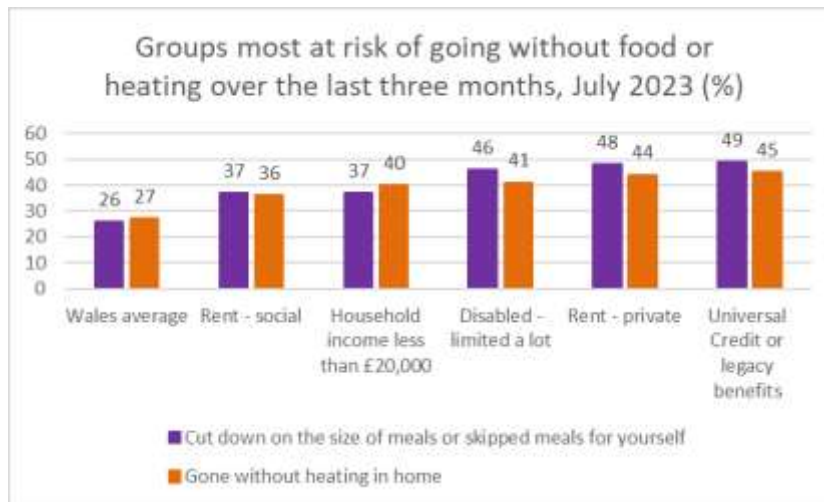
There are three groups of people who appear to be at an especially heightened risk of facing financial hardship. The proportion of private renters, disabled people whose condition limits them a lot, and people in receipt of Universal Credit or legacy benefits, who reported that they sometimes, often or always struggled with the cost of essential items was at least 10 percentage points higher than the Welsh average. Without intervention life could become even more difficult this winter.



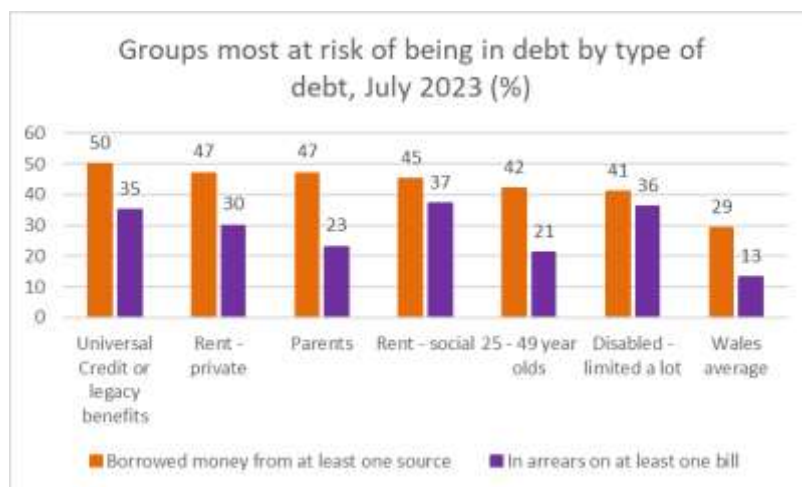
It is important to note the role that intersectionality plays with regards to people's experiences of the cost-of-living crisis. There are many people who don't belong to just one group that faces a greater risk of struggling with the cost of essentials but to multiple groups. Getting a large enough sample size from the survey data to enable us to confidently assess the impact of the cost-of-living crisis on intersectional groups is a challenge. One group for which this data is available, however, and who are much more likely to report that they struggle with the cost of essential items is disabled people who rent. More than four in ten (41 per cent) disabled renters reported that they sometimes, often or always struggle to afford the essentials.

When delving deeper into the data to see which specific essentials people have gone without a similar picture emerges. Nearly half of people (49 per cent) on Universal Credit or legacy benefits reported that they had cut back on the size of a meal for themselves over the last three months, with more than four in ten cutting back on heating in their home (45 per cent). Private and social renters, disabled people whose condition limits

them a lot, people on legacy benefits and people on the lowest incomes are also among the groups that are most likely to report cutting back or going without food or heating.



As with living standards, disabled people, renters and people on benefits are among the groups that are at significantly greater risk of being in debt than the general population. There are a number of other groups however, that are at least 10 percentage points more likely to be in debt than the general population. Parents and 25- to 49-year-olds are two groups that are at an especially heightened risk of having borrowed money over the three months to July 2023.



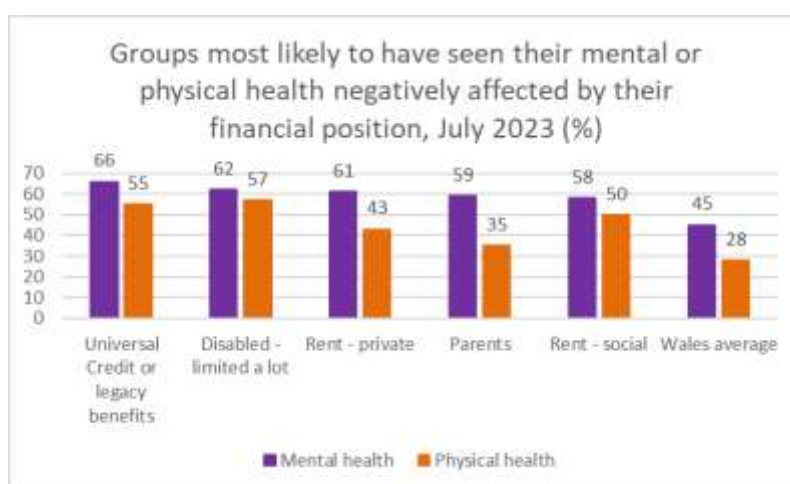
Parents and food

One further point that is worth exploring when looking at experiences of specific groups that are going without essentials is the experiences of parents of children under 18. As set out in section 2.1, 19 per cent of parents of children under 18 reported that they had, had to cut back on the size of a meal for their child, or that their child had skipped a meal. When looking at the experiences of parents in greater detail it becomes apparent that parents of children under 18 are much more likely to cut back on food for themselves than the broader population. In total 38 per cent of parents of children under the age of 18 reported that they had cut back on food for themselves compared to 26 per cent of the population. Policy interventions that are designed to support children access food such as free school meals are therefore likely to offer some relief to parents as well.

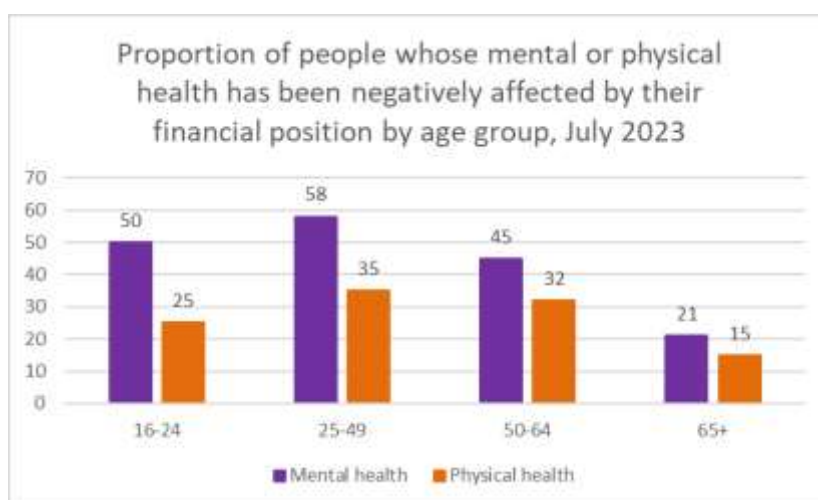
3.2 Health

Our previous *Snapshot of Poverty* reports have found that the impact of the cost-of-living crisis on people's health has not been spread evenly. It is the groups that are most likely to have had to go without essentials or to have fallen into debt that are most likely to have also seen their health negatively affected.

The extent of the impact of the cost-of-living crisis on some groups is staggering. Two thirds (66 per cent) of people in receipt of Universal Credit or legacy benefits in Wales report that their mental health has been negatively affected by their financial position, with the same being true for more than six in ten private renters (61 per cent) and disabled people whose condition limits them a lot (62 per cent). More than half (57 per cent) of disabled people whose condition limits them a lot, and people who on Universal Credit or legacy benefits (55 per cent) also report that their physical health has deteriorated.



There are some surprising findings with regards to some of the groups that report a deterioration in their health. People aged 65 and over are the age group least likely to report that their physical and mental health is being negatively affected by their financial position. This is perhaps a reflection of the fact that the over 65s are the age group least likely to report any negative impact of the cost-of-living crisis on their ability to buy essential items, on their housing position or on whether they are in debt or not.



4. Conclusion

The cost-of-living crisis is not over. As this report has laid bare, huge numbers of people across Wales are continuing to face significant hardship as they struggle to make ends meet. As we head into winter there are reasons to be concerned that the situation could deteriorate.

Now is not the time to remove support from people struggling with rising costs. Whilst inflation may be slowing down, prices are still going up faster than incomes. The UK and Welsh governments have announced the provision of some extra support. The UK Government's Cost of Living Payments and the Welsh Government's more generous Discretionary Assistance Fund payments are welcome. Under current plans, however, families across Wales will receive less support than they did last winter. This report's findings display the urgent need to reverse this course of action if we are to ensure that people have enough money to put food on the table and to heat their homes.

If population-wide support is not to be forthcoming over the coming months, this report has drawn attention to which groups are in greatest need of targeted measures. People in receipt of benefits, renters, disabled people whose condition limits them a lot and parents of children under 18 are much more likely to face hardship than the broader population. The UK, Welsh and local governments should ensure that these groups at least are provided with greater support.