

STATE OF WALES BRIEFING

November 2023

## Older people and the cost of living



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- understand how poverty and inequality affect the people or organisations you work with;
- be aware of differences across Wales;
- anticipate future trends and plan your services;
- strengthen your case-making e.g. for funding.

Links to sources of data are provided in full, either in the introduction, table notes or end-notes. This enables you to explore them further if you wish.

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Registered charity no 1104191

Company registered in Wales no 417501

# State of Wales Briefing: Older people and the cost of living, November 2023

## What this briefing is about

Older people are often thought to be relatively unaffected by the cost-of-living crisis, as a result of state pensions being 'triple-locked' and many older people having low housing costs. While many surveys and analyses indicate that the impact of the high inflation has been less severe on this age group than others, a substantial minority of people aged 50 and over are struggling with high prices and low incomes.

This briefing analyses the data from the Bevan Foundation's latest survey commissioned from YouGov and published in its *Snapshot of Poverty* report.<sup>1</sup> It looks at findings for people aged 50-64 and people aged 65 and over, and considers their overall financial position, as well as the extent to which they have difficulty affording specific items, are in debt, and are concerned about their housing.

## Why it matters

There are a large number of older people in the population of Wales. Even a relatively small percentage can equate to several thousand people who are struggling with making ends meet. In addition, some older people are unable to increase their incomes as they are retired or unable to work due to illness or disability. For those who are disabled, there are often additional costs of care, energy use, specialist equipment or foods.

## Sources of data

All figures quoted in this briefing unless otherwise stated are from a survey commissioned from YouGov Plc. The total sample size was 1,055 adults. Fieldwork was undertaken between the 21<sup>st</sup> and 26<sup>th</sup> 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+).

## Key points

- 17 per cent of people aged 50 to 64 report that they sometimes, often or always struggle to afford the essentials compared with 4 per cent of people aged 65+.
- 29 per cent of people aged 50 to 64 went without heating in the three months to July 2023 as did 18 per cent of people aged 65+.
- 25 per cent of people aged 50-64 cut down on the size of or skipped a meal as did 14 per cent of the 65+ age group.
- 29 per cent of people aged 50 to 64 borrowed money in the three months to July 2023 compared with 11 per cent of people aged 65+.
- 15 per cent of people aged 50-64 reported being in arrears on at least one bill compared with 4 per cent of those aged 65+.
- 17 per cent of people aged 50 to 64 reported concerns that they would be evicted from their home or have their home repossessed in the three months from July, compared with 5 per cent of people aged 65+.

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<sup>1</sup> Bevan foundation, *Snapshot of poverty in in summer 2023* (September 2023) available at - <https://www.bevanfoundation.org/resources/snapshot-of-poverty-summer-2023/>

- 45 per cent of people aged 50 to 64 and 21 per cent of people aged 65+ reported that their financial position has had a negative impact on their mental health
- 32 per cent of 50–64-year-olds reported a negative impact on their physical health as did 15 per cent people aged 65+.

# 1. Introduction

In September 2023, the Bevan Foundation published the latest in a series of reports on the impact of the pandemic and more recently the cost-of-living crisis on poverty in Wales.<sup>2</sup>

Among the key findings was that the cost-of-living crisis was having an unequal impact. At first sight, older people appeared to be amongst those least affected by rising prices. However, this headline masks the considerable impact of inflation on some older age groups. The Bevan Foundation has analysed our survey results in more detail to help understand some of the issues.

Our analysis shows that while the percentages of older people reporting difficulties due to the cost of living are often lower than amongst some other groups, the proportions are nevertheless not negligible. That one in twenty older people is struggling with something is unacceptable – even if the proportion is lower than other groups.

In addition, Wales' relatively large population of older people means that even a small percentage means that a lot of people are facing difficulty. Understanding the numbers is vitally important to organisations providing services to this age group, and to helping them to plan their engagement.

And third, our findings show that some groups of older people are experiencing high levels of hardship, with people aged 50-64 being consistently worse off than those aged 65 plus.

# 2. Living standards

Like other age groups, many older people are struggling to make ends meet, with a significant proportion of people aged 50-64 reporting financial difficulties.

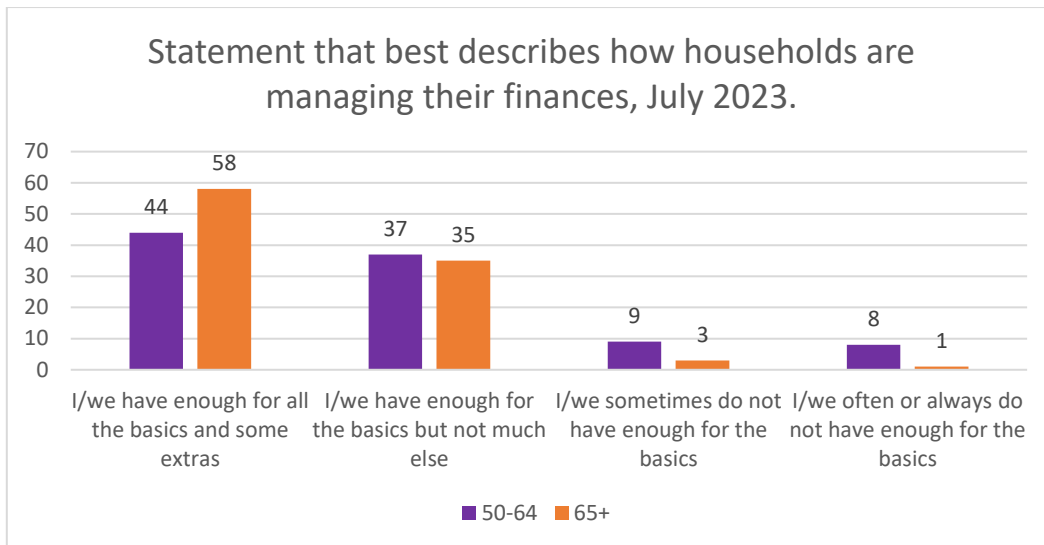
More than one in six people aged 50 to 64 (17 per cent) sometimes, often or always struggled to have enough for all the basics between January and July 2023. The proportion of people over 65 reporting the same challenge was much lower at 4 per cent. With there being more than 660,000 people aged 65 and over living in Wales at the time of the last census however, this could mean that there are over 25,000 people aged over 65 struggling to afford all their essentials.<sup>3</sup>

A further 37 per cent of people aged 50 to 64 and 35 per cent of people aged 65 and over reported that whilst they had enough for all their basics, they didn't have much left over for any extras. Given that a much higher proportion of over 65s are on fixed incomes than under 65, this makes this group of people particularly vulnerable to falling into financial hardship should they see any unexpected increase in their costs, for example if their car breaks down.

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<sup>2</sup> Bevan Foundation, *Snapshot of poverty in in summer 2023* (September 2023) available at - <https://www.bevanfoundation.org/resources/snapshot-of-poverty-summer-2023/>

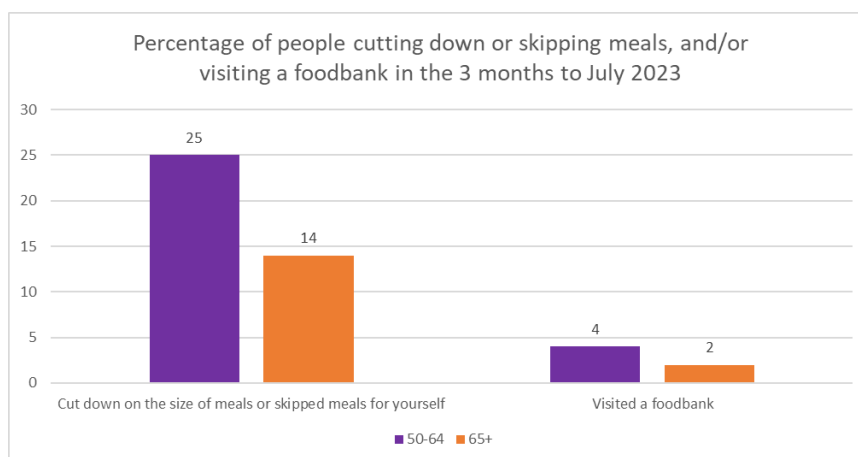
<sup>3</sup> Bevan Foundation analysis based on census data. Office for National Statistics, *Population and household estimates, Wales: Census 2021* (June 2022) available at - [https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimateswales/census2021#:~:text=Nearly%20two%2Dthirds%20\(62.2%25\),were%20aged%20under%2015%20years.](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimateswales/census2021#:~:text=Nearly%20two%2Dthirds%20(62.2%25),were%20aged%20under%2015%20years.)



A similar pattern emerges when looking at access to specific essentials. People aged 50 to 64 are much more likely to have gone without a specific item than people aged 65+. The large number of people aged 65+ living in Wales, however, means that large numbers of people in this age group are facing hardship. The next section will look at some of these essentials in turn.

### 2.1 Access to food

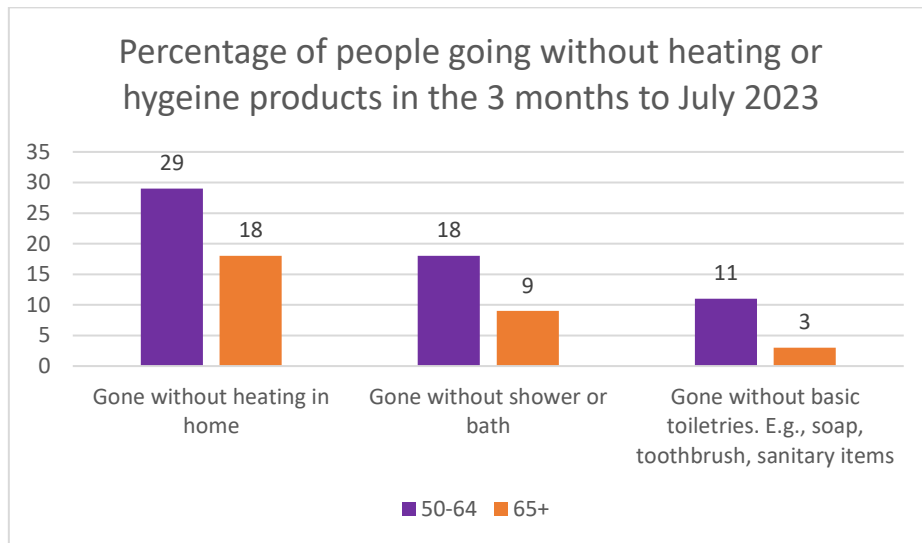
People aged 50 to 64 were much more likely to have cut down on the size of a meal or skipped a meal in its entirety in the three months to July 2023 (25 per cent) than people aged 65+ (14 per cent). One in 20 people aged 50 to 64 (4 per cent) and one in 50 people aged 65+ (2 per cent) reported visiting a foodbank over the same period.



### 2.2 Access to heating and hygiene products

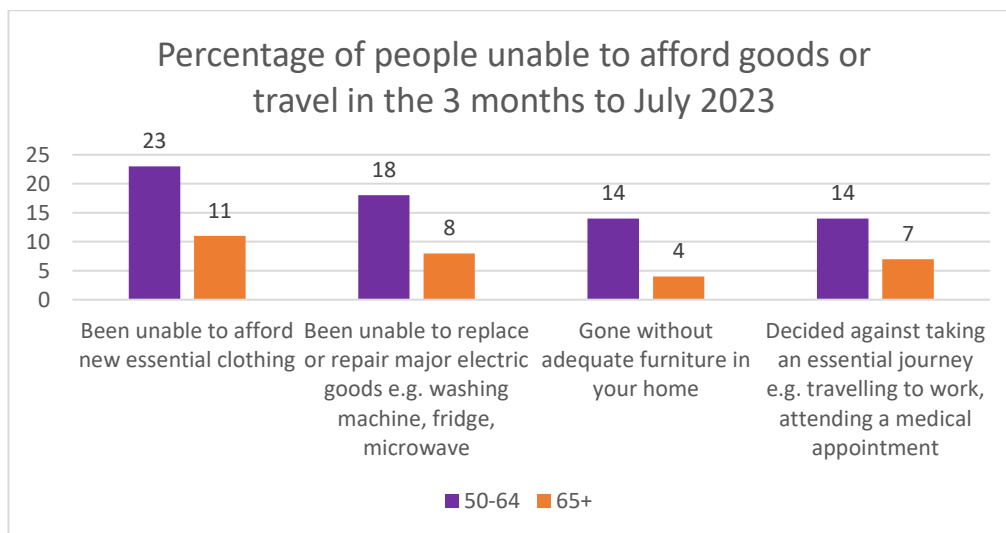
Nearly a third (29 per cent) of people aged 50 to 64 went without heating in their homes in the three months to July 2023, with nearly a fifth (18 per cent) of the same group going without a shower or bath and 11 per cent going without basic toiletries. Whilst the picture for those aged 65+ was better, nearly one in five (18 per cent) reported going without heating in their homes, with nearly one in ten (9 per cent) going without a shower or a bath and 3 per cent going without basic toiletries.

It is important to remember that this survey took place in the summer, when people generally use less heating. There are therefore real concerns that the proportion of people who will ration their heating and hygiene could increase in winter.



### 2.3 Other essentials

People are also struggling to afford the cost of essentials such as clothing and transport. Again, this is a particularly pressing concern among those aged 50 to 64, with people in this age group being twice as likely to report not being able to afford essential clothing and essential journeys as those aged 65+. Given that such a large proportion of people in Wales are aged 65+, even if “only” 7 per cent of people aged 65+ are unable to take essential journeys due to their financial position, the numbers affected are significant (in excess of 45,000).<sup>4</sup>



<sup>4</sup> ibid

### 3. Debt

Personal debt is a growing problem across Welsh society and older people are no exception to this. In the three months to July 2023 29 per cent of people aged 50 to 64 had borrowed money due to their financial situation with the same being true for 11 per cent of people aged 65+. At the same time 15 per cent of people aged 50 to 64 were in arrears of at least one month on one or more bills with the same being true for 4 per cent of people aged 65+.

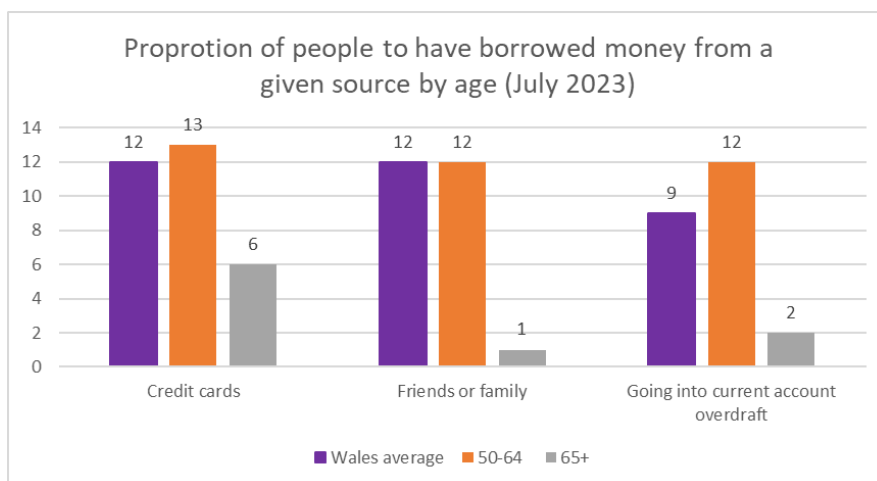
Understanding the sources of people's debt is nearly as important as understanding the extent of personal debt in Wales. There appear to be some important differences as to the source of people's debt depending on their age.

#### 3.1 Borrowing

The primary source of borrowing for people aged 50 to 64 closely mirrors the Welsh population more broadly. For 50-64-year-olds the main sources are:

- credit cards (13 per cent),
- friends and family (12 per cent)
- Bank overdraft (12 per cent).

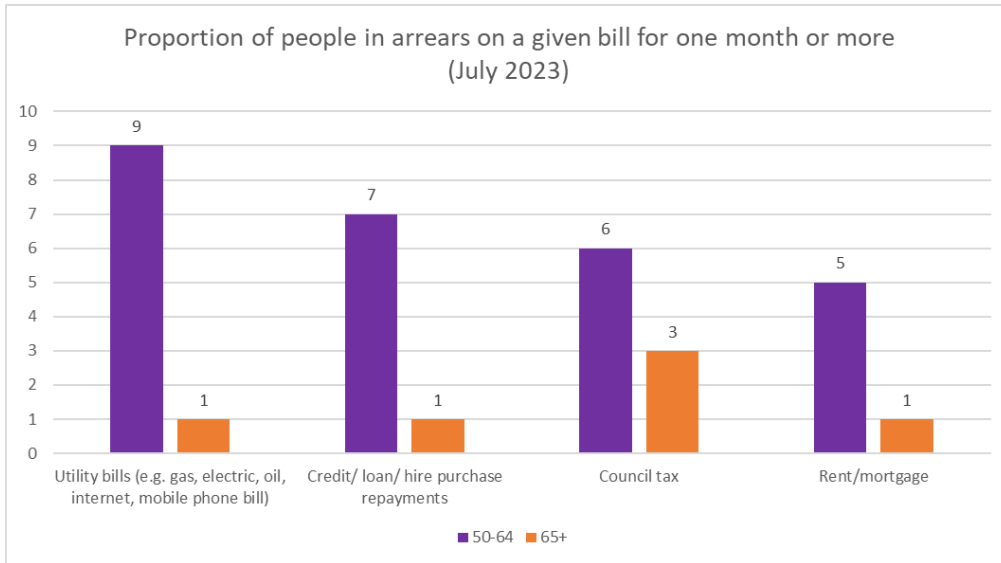
A different pattern emerges for people aged 65+. The main sources of borrowing are credit card (6 per cent) whereas overdrafts and friends and family are less important (at 2 per cent and 1 per cent respectively). The reasons for the difference are unclear.



#### 3.2 Arrears

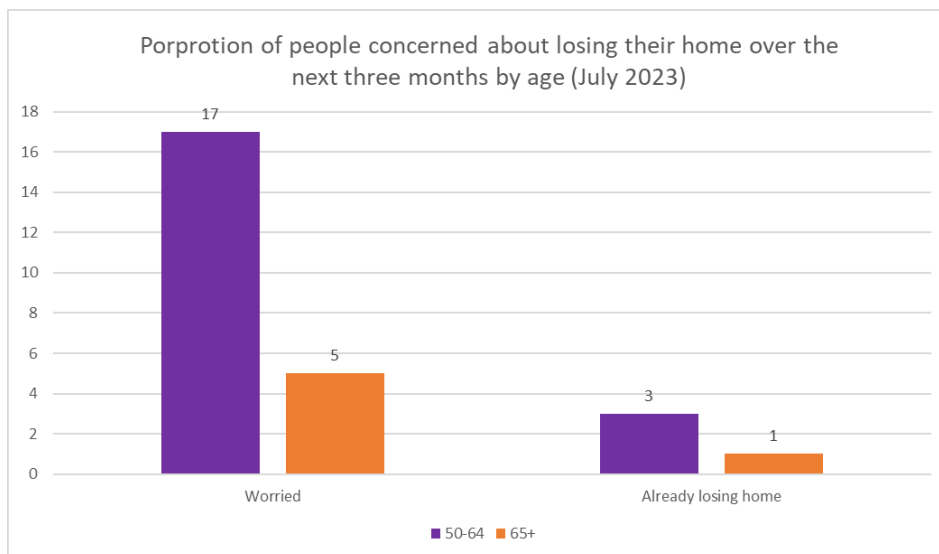
Nearly one in ten people (9 per cent) aged 50 to 64 are in arrears on their utility bills, with smaller proportions in arrears on credit repayments, Council Tax and rent/ mortgage payments. For people aged 65+, Council Tax is the primary type of arrears, reported by 3 per cent of people.



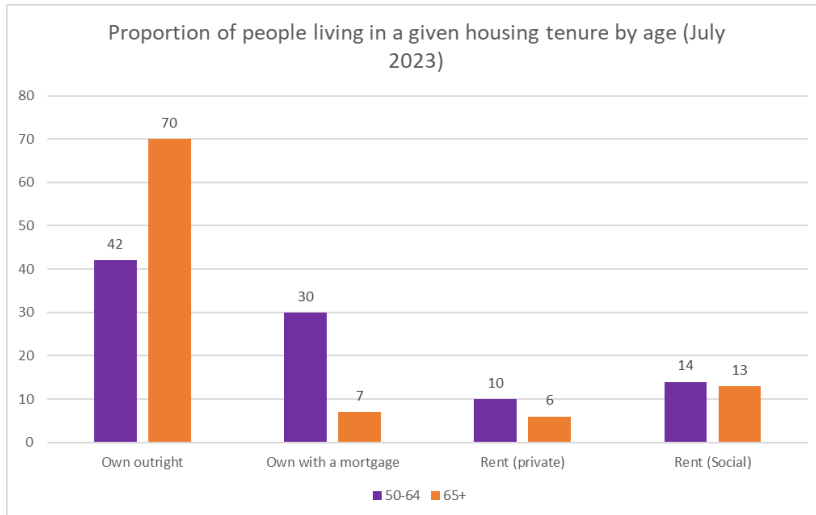


## 4. Housing

Housing is a concern amongst older people, with a surprisingly high proportion concerned about the prospect of losing their home over the coming months. One in six people aged 50 to 64 (17 per cent) reported concerns that they would be evicted from their home or have their home repossessed in the three months from July 2023. The same was true for 1 in 20 (5 per cent) of people aged 65+.



The difference between age groups may be because a high proportion of people aged 65+ own their home outright (70 per cent do so) compared with 42 per cent of people aged 50 to 64, and so do not have monthly repayments. The size of the survey sample means that there is no data on concerns about housing security for different housing tenures.

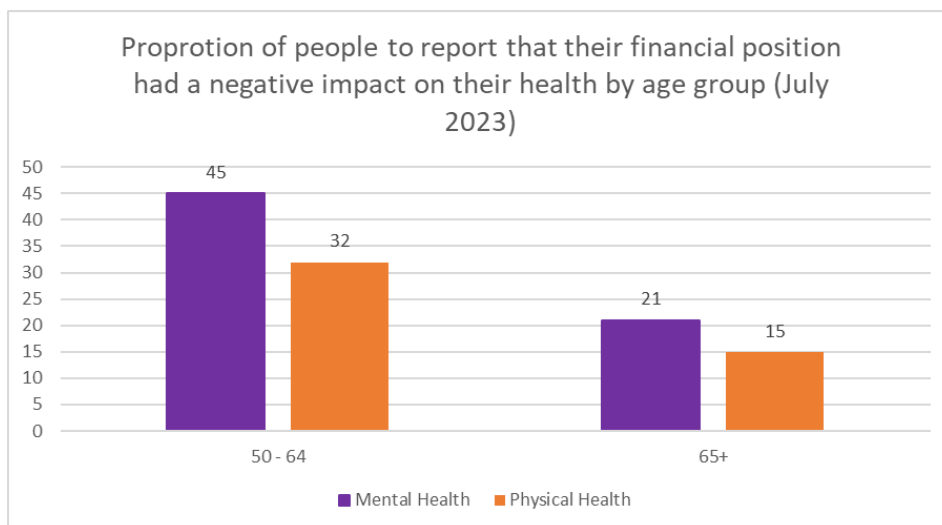


## 5. Health

The cost-of-living crisis has had a striking impact on the physical and mental health of people of all ages. With older age groups already experiencing higher levels of ill-health and disability, it is especially concerning to see this age group reporting that their current financial position is having an adverse impact on their health.

People aged 50 to 64 are twice as likely to report that their financial position has had a negative impact on their health than people aged 65+. Nearly half (45 per cent) of people aged 50 to 64 reported that their financial position has had a negative impact on their mental health with the same being true for 32 per cent of people with regards to their physical health.

By contrast 21 per cent of people aged 65+ reported that their financial position had had a negative impact on their mental health, with 15 per cent saying the same about their physical health. While the proportion is smaller than younger age groups, the number is relatively large: nearly 140,000 people aged 65+ have seen their mental health negatively affected by their financial position with the same being true for nearly 100,000 people with regards to their physical health.<sup>5</sup>



<sup>5</sup> ibid