

A snapshot of poverty in Winter 2024

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FOUNDATION

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Acknowledgements

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1. Introduction and summary

The last four years have seen people in Wales face challenges that few could have imagined at the turn of the decade. Between Covid-19 and the cost-of-living crisis, people and communities have come under significant pressure. In such uncertain times, the Bevan Foundation's Snapshot of Poverty surveys have provided vital insights as to how people in Wales are managing.

Our latest survey provides an update on how people in Wales were managing at the start of a new year. This report provides a space to look at this data in detail and is divided into four sections. The first section provides an overview of how people in Wales are managing financially. The second takes a closer look at the impact of poverty and financial hardship on children. The third explores the experiences of some of the other groups that are being most significantly affected by rising costs, whilst the fourth looks at people's expectations for the year ahead.

1.1 Key findings

There have been no major improvements in people's living standards across Wales since our last Snapshot survey in July 2023. This raises concerns that higher levels of poverty and financial hardship have become the "new normal". In this "new normal":

- More than one in eight people (13 per cent) across Wales sometimes, often or always struggle to afford the essentials.
- Large numbers of people are going without essentials including more than three in ten (31 per cent) going without heating in their home and nearly one in four eating smaller meals or skipping meals in their entirety (24 per cent).
- Debt is a significant problem with 28 per cent of people borrowing money in the three months from October 2023 and 13 per cent being in arrears on at least one bill for at least one month in January 2024.
- People's health is being negatively affected by their financial position. 44 per cent of people report this in respect of their mental health and 30 per cent report this in respect of their physical health.
- The negative impact people's financial position is having on their health is affecting their ability to work. Half (50 per cent) of all people that report that their financial position has had a negative impact on their health report that their ability to work had been negatively affected.
- People are worried about the prospect of losing their home with 14 per cent being worried that they might be evicted or have their home repossessed in the three months from January 2024.
- People living in households with children, disabled people, renters and people on low incomes are all groups of people who are all significantly more likely to report facing significant financial hardship than the general population.

The latest survey included some new questions designed to get a clearer understanding of how families with children are managing their finances. Parents' answers make for grim reading. A staggering 22 per cent of parents of a child under 18 reported that their child has not had the birthday party they wanted due to their financial position. Significant minorities of children are missing out on sports lessons (21 per cent) or music lessons (18 per cent) with the majority of those missing out missing out on a regular basis.

Finally, our survey asked people about their expectations for the year ahead. People are extremely pessimistic about their personal prospects, about the prospects of their communities and about the prospects of Wales as a nation:

- Only 15 per cent of people expect that their own personal living standards will improve over the 12 months from January 2024 whilst 36 per cent expect them to deteriorate further.
- 50 per cent of people expect the living standards of people living in their community to deteriorate over the next 12 months whilst only 7 per cent expect them to improve.
- 57 per cent of people expect the living standards of people living in Wales to deteriorate over the next 12 months whilst only 9 per cent expect them to improve.

1.2 About this briefing

All figures quoted in this briefing unless otherwise stated are from YouGov Plc. The total sample size was 1,029 adults. Fieldwork was undertaken between the 15th and 18th of January 2024. The survey was carried out online. The figures have been weighted (unless specified otherwise) and are representative of all Welsh adults (aged 16+). Full breakdown of the sample sizes for the various demographic groups referenced in this report can be found in the report's Appendix.

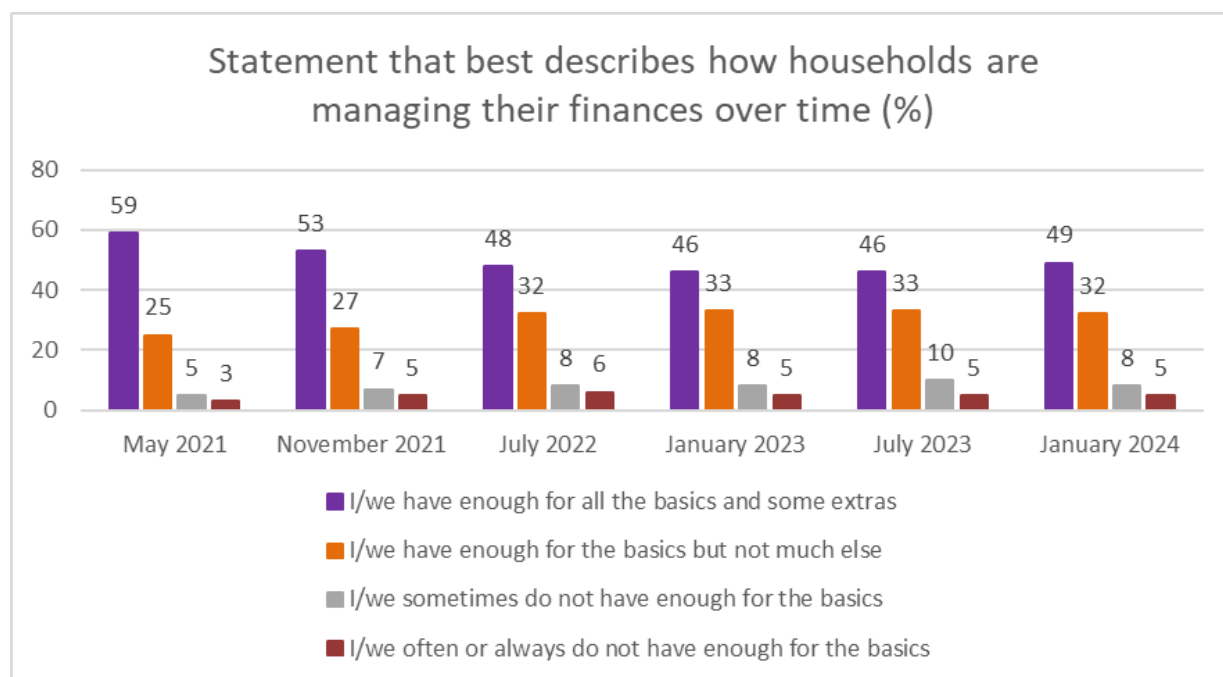
2. Poverty in winter 2024 – a national overview

The latest *Snapshot* survey is the seventh that YouGov have run on the Bevan Foundation's behalf. One of the key advantages of having such an established source of data on how the Welsh population is managing financially is that it is possible to look at trends over the longer term. Patterns that are not immediately obvious when comparing the results of two recent surveys become clearer when looking back over time. Nowhere is this more obvious than when looking at the answers to our questions asking people to consider the impact of the cost-of-living crisis on their household finances.

In total, in January 2024, 13 per cent of people in Wales, about one in eight, sometimes, often or always didn't have enough for all the basics, with one in three, 32 per cent, having enough for the basics but not much else. This is largely unchanged on the position in July 2023.

January 2024 was the sixth time that we had asked this question as part of our survey. Looking back over the answers provided to each survey, it appears that we have moved into a new phase of the impact of the cost-of-living crisis. There was a significant deterioration in household living standards between May 2021 and July 2022, first as a result of the pandemic, and then the cost-of-living crisis. Things appear to have stabilised since July 2022 with no further deterioration in household living standards at a headline level.

The fact that the headline position has not deteriorated further over the past 18 months could be viewed as good news. It suggests that the interventions taken by the UK and Welsh Governments have been successful in at least steadying the ship at a national level. However, the fact that the number of households that are reporting that they sometimes, often or always struggle to afford essentials remains 50 per cent higher than it was in May 2021 shows just how much greater a problem poverty has become over the past two and a half years. Financial hardship has become the "new normal" for thousands of families across Wales.

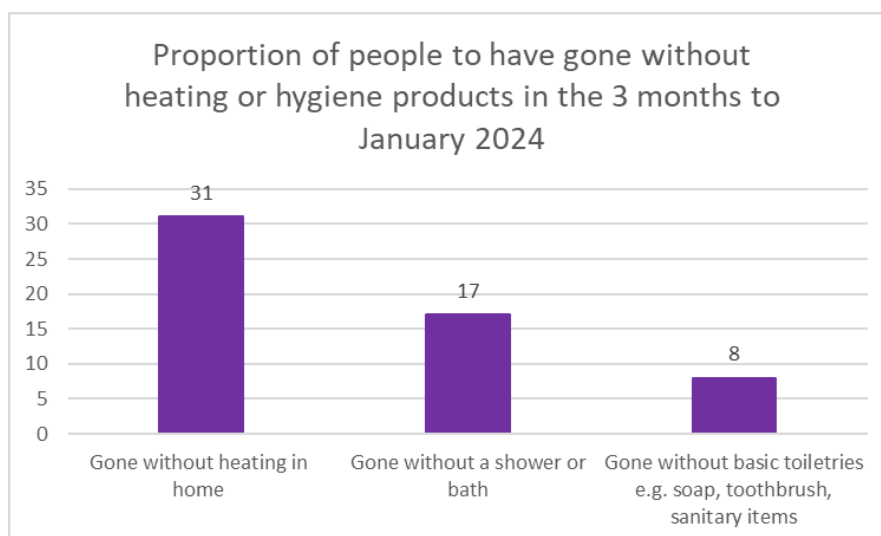


2.1 The new normal – accessing essentials

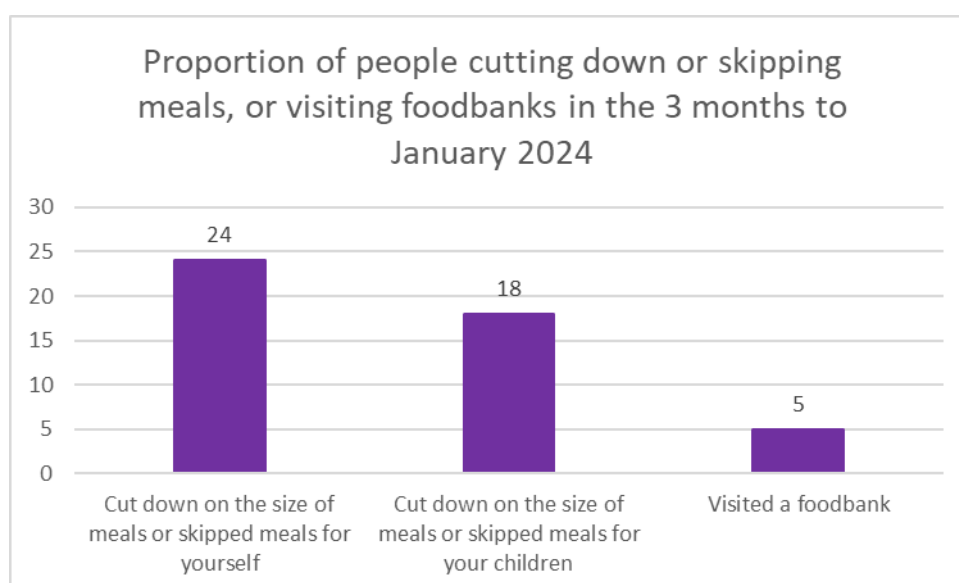
With increased levels of financial hardship the new normal for Welsh communities, it is worth diving deeper into the data to see what this means in practice.

For three in ten people the new normal means going without heating in their home. In total, 31 per cent of people went without heating in their home in the three months to January 2024. Whilst this is down from 39 per cent in January 2023, it is actually up on the position in July 2023 (27 per cent).

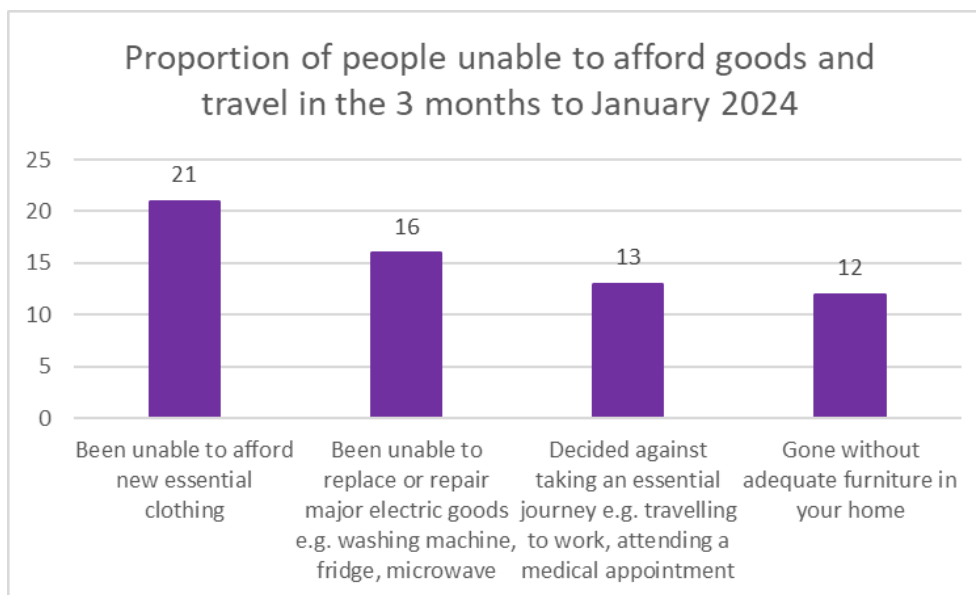
Heating is not the only essential that people are going without. One in six people (17 per cent) report that they went without a shower or a bath in the three months to January for financial reasons and 8 per cent report going without basic toiletries.



People across Wales are also going hungry. A quarter of people (24 per cent) report that they either cut down on the size of a meal or skipped a meal for themselves in the three months to January 2024, whilst 18 per cent of parents of children under 18 cut down on the size of their child's meal, or their child skipped a meal in its entirety. With one in 20 (5 per cent) reporting that they had visited a foodbank in the three months to January 2024, it is clear that putting food on the table is a struggle for many.



People are also continuing to struggle to afford the cost of items such as clothing and transport. More than one in five people (21 per cent) have been unable to afford new essential clothing in the three months to January 2024, with 16 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 13 per cent reporting that they had decided against making trips such as travelling to work or to a medical appointment, with 12 per cent having gone without adequate furniture in their home.



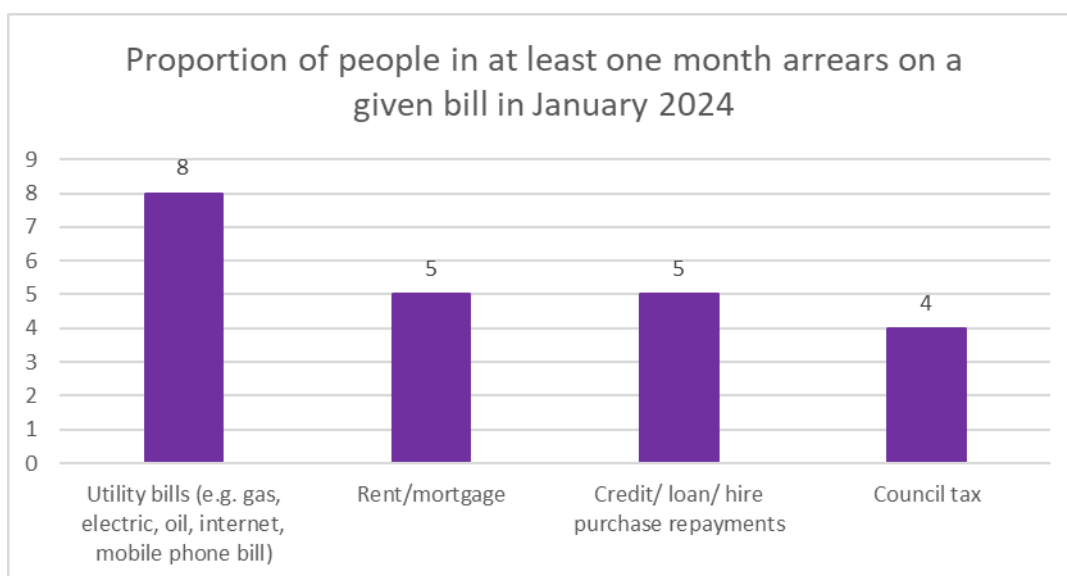
2.2 The new normal – debt

Levels of personal debt are high in Wales. In total, more than a quarter of people (28 per cent) have borrowed money from at least one source in the three months to January 2024, with more than one in ten (13 per cent) in arrears on a bill. It should be noted that our data does not allow us to analyse the depth of people's debt, a factor that is likely to have a significant impact on the levels of hardship experienced by individuals that are in debt.

There were three primary sources of borrowing for people who have been struggling financially in the three months to January 2024: credit cards (14 per cent), friends or family (12 per cent) and a current account overdraft (9 per cent). These have consistently been the primary sources of borrowing for people over the course of our Snapshot surveys. Other sources of borrowing including personal bank loans (2 per cent), and pay day loans (1 per cent) are used much less regularly.

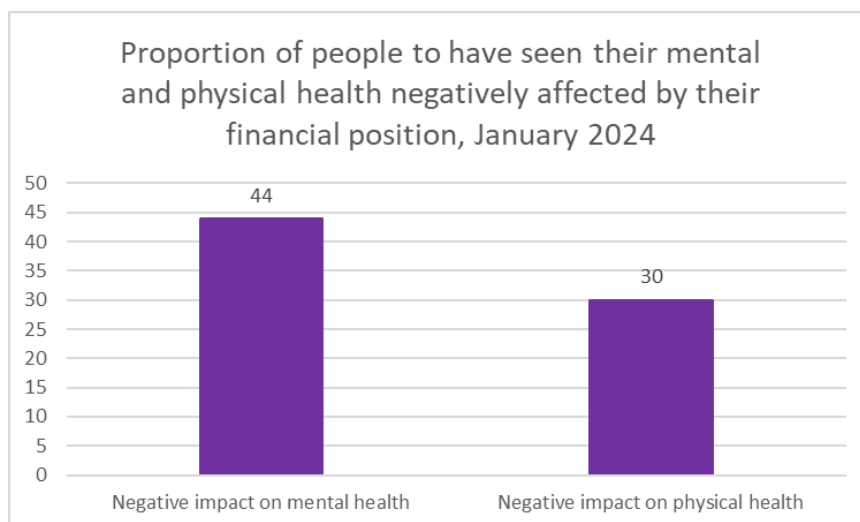


Utility bills are the type of bill that people are most likely to be in arrears on. In total, 8 per cent of people in Wales report being at least one month behind on a bill, such as their energy bills or their phone bills. Around one in 20 people report being in arrears on their rent/ mortgage (5 per cent), on their credit/ loan/ hire purchase repayments (5 per cent) or on their Council Tax (4 per cent).



2.3 Health and poverty

Given the extensive body of evidence that demonstrates a link between poverty and ill-health, it is not surprising that large numbers of people are continuing to report that their mental and physical health is currently being negatively affected by their financial position. More than four in ten people (44 per cent) reported that their mental health has been negatively affected by their financial position, whilst three in ten (30 per cent) reported the same with regards to their physical health.



If higher levels of financial hardship are set to be our “new normal” then it is likely that the health system will continue to face elevated pressures over the coming years. Indeed, there is a risk that the relationship between ill-health and poverty creates a vicious circle that drags people into deeper and deeper financial stress.

For the first time, our Snapshot survey asked people whether the negative impact that their financial position had had on their health has had any impact on their ability to work. The findings are stark. Of those that reported that their financial situation had had a negative impact on their health, half (50 per cent) reported that this had had a negative impact on their ability to work. Any reduction in the amount of work undertaken by a household is likely to place people under greater financial pressure, possibly leading to a further deterioration in their health.

2.4 Housing

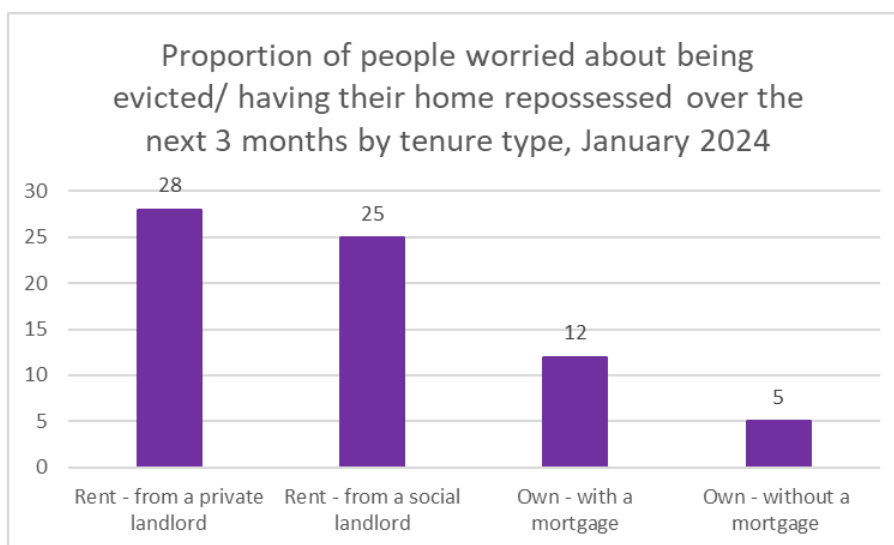
For many people, the pandemic and the cost-of-living crisis have deepened some of the challenges that they were already facing due to the housing crisis. Across Wales 11,317 individuals were living in temporary accommodation as of 30 November 2023, of which 3,357 were children.¹ Our Snapshot surveys have showed that consistently high proportions of the Welsh population have been concerned about the prospect of being evicted or having their home repossessed. In our most recent survey, 14 per cent of people reported that they were worried about being evicted or having their home repossessed in the three months from January 2024.

It should be noted that the proportion of people who are worried about losing their home over the next three months is nearly three times higher than the proportion of people who report that they are in arrears on their rent (5 per cent). Factors such as concerns about upcoming mortgage repayment or rent rises, falls in incomes, or concerns that a landlord might be interested in selling a home are all likely to be contributing to people’s stress about their housing situation.

Renters are especially concerned about what the next three months has in store for them. A quarter of social housing tenants (25 per cent) and nearly three in ten private rental

¹ Welsh Government, *Homelessness accommodation provision and rough sleeping: November 2023* (February 2024) available at - <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-november-2023>

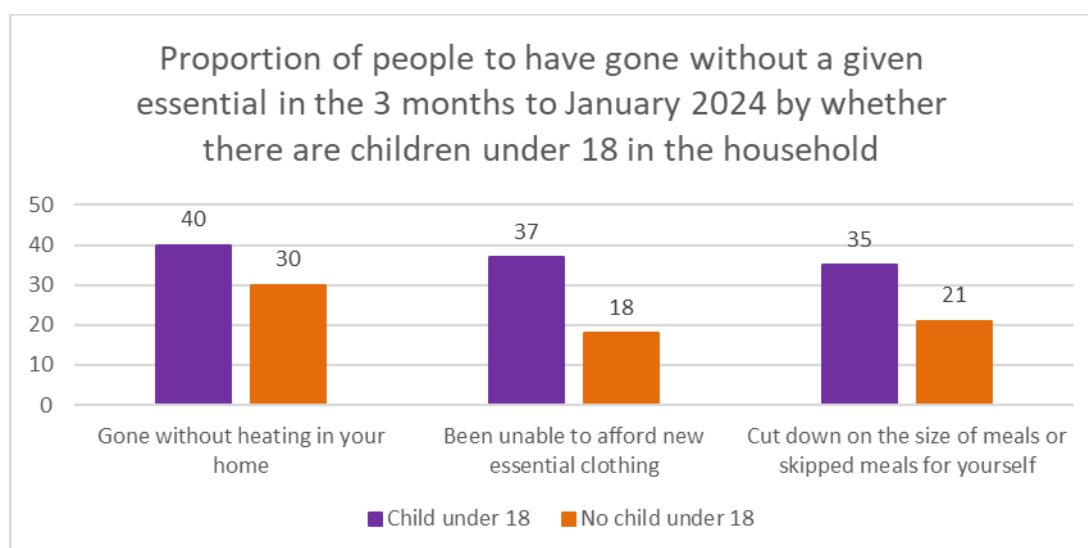
sector tenants (29 per cent) report being concerned that they might lose their home over the next three months.



3. The impact on children

Child poverty is a longstanding problem in Wales remaining stubbornly high at around 30 per cent for over a decade,² in October 2023, the Bevan Foundation commissioned Beaufort Research to undertake a survey of children in Wales to gain a better understanding of children's experiences of poverty. We recently published the findings of their survey in our February State of Wales briefing.³ The survey's findings made for some extremely grim reading, with half of Welsh children reporting that they were worried about whether their family had enough money to pay the bills, a quarter (23 per cent) reporting that they had recently worried about being cold, and 21 per cent reporting that their mental health had been negatively affected by their family's financial position.⁴

Our Snapshot surveys have consistently shown that the financial impact of the pandemic and the cost-of-living crisis have disproportionately affected families with children. Our most recent survey is no exception. People living in households with a child under 18 are much more likely to have gone without essentials in the three months to January 2024 than people living in households with no children under 18. More than a third of adults living in households with children under 18 have had to cut down on the size of meals or skipped meals entirely (35 per cent), been unable to afford essential new clothing (37 per cent) or gone without heating in their home (40 per cent).



People living in households with children under 18 are also much more likely to be in debt than the general population. Nearly half (49 per cent) of people living in a household with a child under 18 borrowed money from at least one source in the three months from

² Stats Wales, *Percentage of all individuals, children, working-age adults and pensioners living in relative income poverty for countries and regions in the UK between financial year ending (FYE) 1995 and FYE 2022 (averages of 3 financial years)* available at - <https://statswales.gov.wales/Catalogue/Community-Safety-and-Social-Inclusion/Poverty/householdbelowaverageincome-by-year>

³ Bevan Foundation, *State of Wales Briefing, Children's experiences of poverty* (February 2024) available at - www.bevanfoundation.org/subscribers-area/state-of-wales-briefing-childrens-experiences-of-poverty

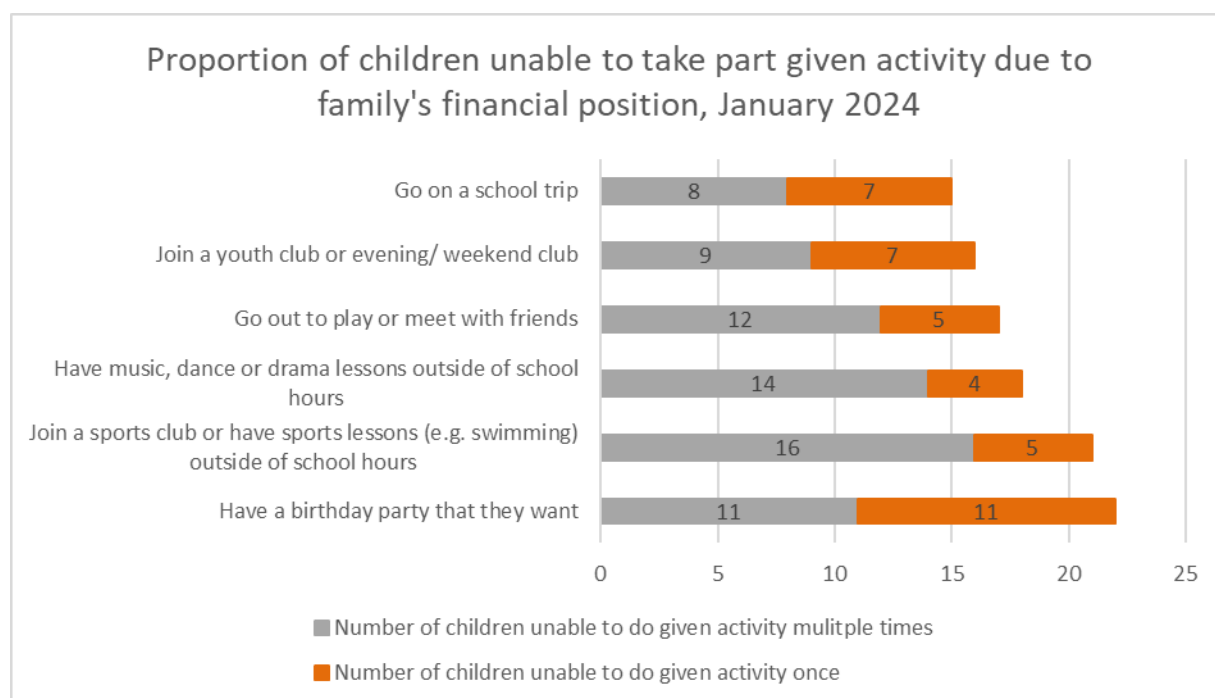
⁴ *ibid*

October 2023 whilst 21 per cent were also in at least one month's arrears in January 2024.

To get a fuller understanding of the impact of the cost-of-living crisis on children we added a new question to our most recent Snapshot survey. This question is based on a question asked in our Beaufort survey and focused on what activities children across Wales may be missing out on due to their financial position. Activities such as access to sport classes, music lessons and opportunities to socialise with friends are not trivial matters. Such activities are fundamental to education and social development as well as for creating happy childhood memories. The number of parents reporting that their children are missing out on such activities is worryingly high, echoing the answers provided by children themselves in our Beaufort survey.⁵

A staggering 22 per cent of parents and guardians of children under 18, that's more than one in five, reported that their child has been unable to get the birthday party they wanted due to their family's financial position. Around one in five children have missed out on sports clubs or lessons outside of school hours (21 per cent) and on having music, dance or drama lessons outside of school hours (18 per cent). More than one in seven have been unable to play or meet with friends (17 per cent), join a youth club or evening/ weekend club (16 per cent) or go on school trips (15 per cent).

Just as worrying as the high numbers of children missing out on foundational childhood experiences is the regularity by which they are facing these challenges. Of the 21 per cent of children who have not been able to take part in sports lessons or clubs outside of school hours, three quarters have been unable to take part multiple times, 16 per cent of all children. The impact of the financial hardship faced by the parents of these children is therefore likely to affect them long into their future.



⁵ ibid

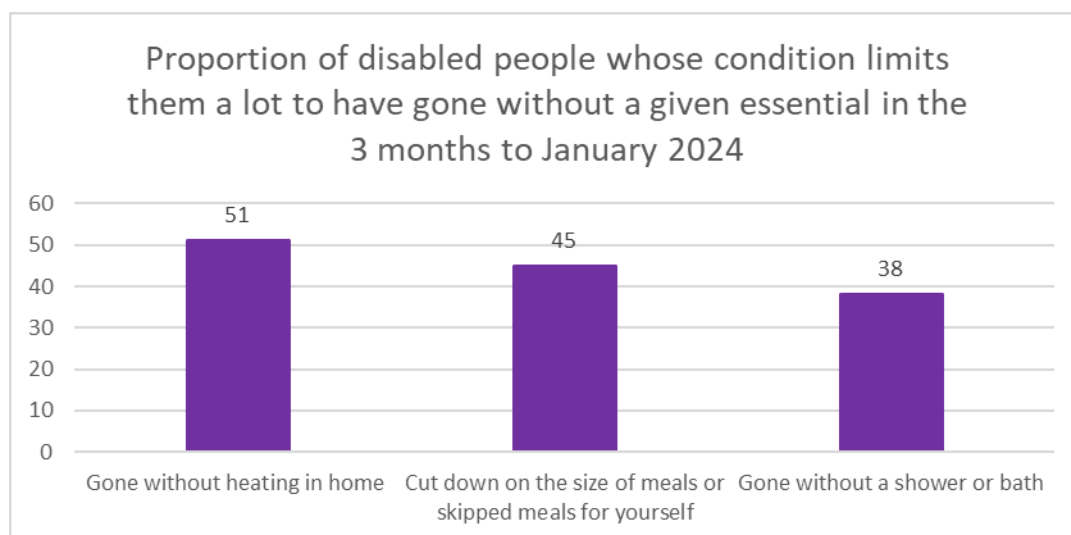
4. The unequal impact of our new normal

There is no doubt that the vast majority of people across Welsh society have felt the impact of first the pandemic and more recently rising living costs. As demonstrated in the section above however, it has not affected everyone equally. Households with children are not the only group that are finding life especially difficult in our new normal. This section sets out to draw attention to other groups that are finding life challenging.

4.1 Disabled people

Disabled people or people with a long-term health condition who state that their condition limits them “a lot” are among the people who are most likely to be in severe financial hardship. A staggering 36 per cent of disabled people whose condition limits them a lot report that they sometimes, often or always struggle to afford the essentials. That’s nearly three times higher than the national average (13 per cent).

When looking at access to specific essentials the extent of the financial hardship faced by many disabled people becomes painfully clear. Over half (51 per cent) of disabled people whose condition limits them a lot have gone without heating in their home in the three months to January 2024, whilst more than four in ten (45 per cent) have cut back on the size of a meal or skipped a meal entirely.

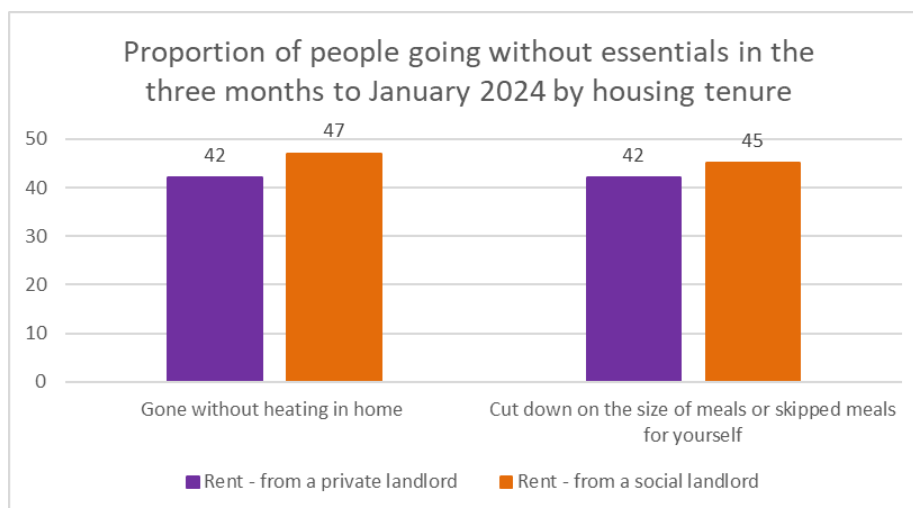


Disabled people whose condition limits them a lot are also much more likely to report that they are in debt (34 per cent in one month’s arrears on a bill, 38 per cent having borrowed money in the three months from October 2023) and were much more likely to be worried about losing their home in the three months from January 2024 (29 per cent) than the average Welsh person. This is not surprising given that 16 per cent of disabled people whose condition limits them a lot are in arrears on their rent or mortgage repayments, compared to just 2 per cent of people who are not disabled. Against this backdrop it is perhaps not surprising that disabled people whose condition limits them a lot were among the people most likely to report that their financial position has had a negative impact on their mental health (68 per cent) and physical health (66 per cent).

4.2 Renters

Not only are renters more likely to be concerned about the prospect of losing their home over the next three months than owner-occupiers, but they are also much more likely to be facing financial hardship.

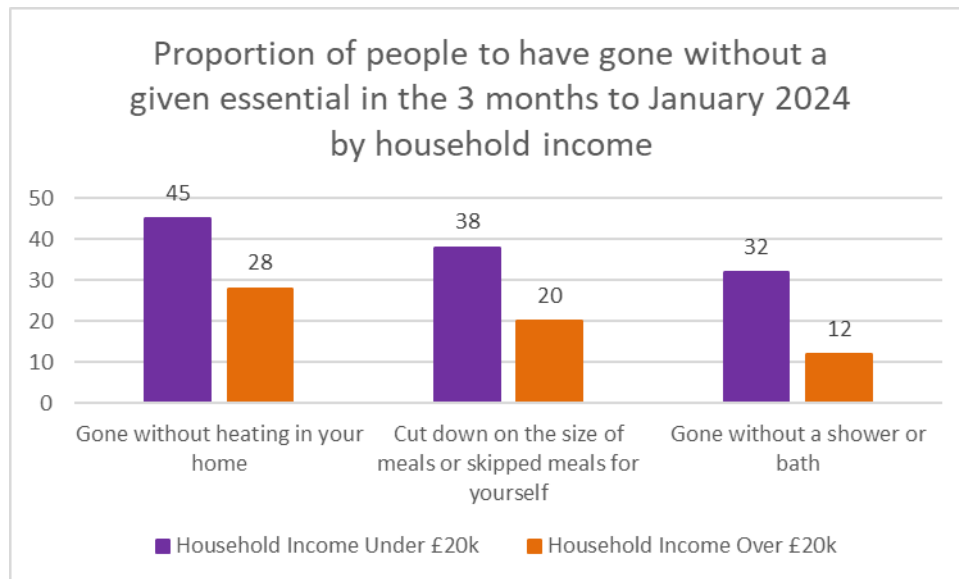
More than a third (34 per cent) of social renters and a quarter of private renters (25 per cent) sometimes, often or always struggled to afford essentials in the three months to January 2024. More than four in ten renters have gone without heating in their home and have cut down on the size of a meal or skipped a meal in its entirety.



Renters are also at an elevated risk of being in debt. In total 38 per cent of private renters have borrowed money from at least one source in the three months from October 2023 with 25 per cent being in arrears on at least one bill. For social renters, the figures are even higher with 47 per cent having borrowed money and 42 per cent being in arrears.

4.3 People on low incomes

A third group of people who are especially likely to be in financial hardship are people on low incomes. A third of people (32 per cent) whose household income is less than £20,000 report that they sometimes, often or always don't have enough to pay for all the essentials. This compares with 7 per cent of people with a household income in excess of £20,000. Given such differing experiences it is not surprising that people living in low-income households are much more likely to report that they have gone without heating in their home (45 per cent), cut down on the size of meals or skipped meals in their entirety (38 per cent) or gone without a shower or a bath (32 per cent) than people living in households with incomes of over £20,000.



People living in households with an income of less than £20,000 were more than twice as likely to be in arrears on at least one bill (25 per cent) in January 2024 as people living in households with an income of more than £20,000. Perhaps surprisingly, however, the proportion of people to have borrowed money in the three months from October 2023 does not differ significantly by household income with 30 per cent of households with an income of less than £20,000 having borrowed money, compared with 27 per cent of people in households with an income of more than £20,000.

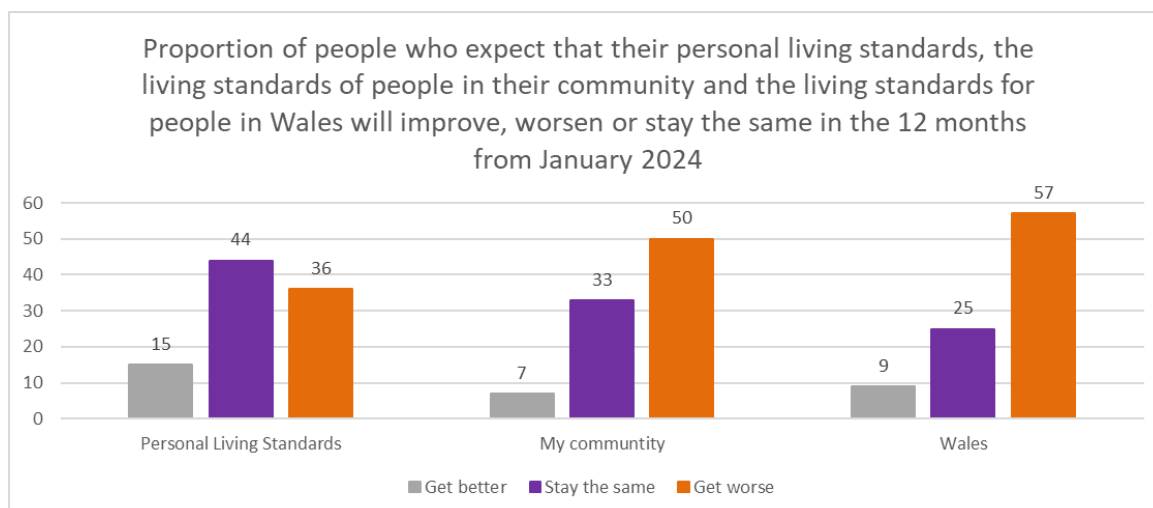
In total, one in five people (22 per cent) living in a household with an income of less than £20,000 reported that they were worried that they might lose their home in the three months from January 2024. This is twice the reported figure for people living in households with an income of over £20,000 (11 per cent). Given that people living in households with an income of less than £20,000 are six times more likely to report being in arrears on their rent or mortgage repayments (12 per cent) than people living in households with an income of over £20,000 (2 per cent) this is not surprising.

Set against this backdrop it is again not surprising that people living in low-income households are among the most likely to report that their health has been negatively affected by their financial position. People living in a household with an income of under £20,000 were almost twice as likely to report that their physical health has been negatively affected by their financial position (46 per cent) as people living in households with an income of over £20,000 (24 per cent). When looking at the impact of people's financial position on their mental health well over half of people living in a household with an income of less than £20,000 (57 per cent) report that their mental health has been negatively affected by their financial position, compared with 40 per cent of people living in a household with an income of more than £20,000.

5. The new normal – no room for hope?

Spring 2024 will mark the two-year anniversary of Russia's invasion of Ukraine and the four-year anniversary of the first Covid-19 lockdown. We therefore thought it was timely to ask our respondents some questions looking at their expectations for the year ahead and to see whether people thought that the worst of the impact of the pandemic and the cost-of-living crisis was behind them. The findings make for extremely concerning reading, suggesting that people do not expect to see major improvements in living standards over the next 12 months.

People were more than twice as likely to think their own personal living standards would worsen over the next 12 months (36 per cent) than improve, 15 (per cent). People were even more pessimistic about the prospects for their community and Wales' prospects as a nation. Half of people in Wales (50 per cent) think that living standards will worsen for people in their community over the next 12 months whilst 57 per cent think that living standards will worsen for people living in Wales. By contrast only 7 per cent think that living standards will improve for people in their community and only 9 per cent think that living standards will improve for people living in Wales.



Set against such figures it is perhaps not surprising that almost all groups within Welsh society are deeply pessimistic about what the next 12 months has in store. One of the very few exceptions to this is young people aged 16 to 24. More young people aged 16 to 24 think that their own personal living standards will improve over the next 12 months (34 per cent) than worsen (23 per cent). Even this data points to a deeper concern about Welsh living standards. That only a third of people aged 16 to 24 think that their living standards will improve at a time when many within this group might be expected to look forward to starting a new job, starting university or moving out of living with their parents, is concerning.

6. Conclusion

There is very little sign that the cost-of-living crisis is easing its grip on Wales. With thousands of people continuing to struggle to make ends meet and people extremely pessimistic about what the next 12 months have to offer there are real grounds for concern that higher levels of poverty and financial hardship have become our new normal.

This normalisation of high levels of poverty in our communities will have a significant impact on everyone's lives. Demand for public and third sector services for instance, are likely to remain extremely high. As this report has demonstrated, the cost-of-living crisis means that thousands of people have seen their health negatively affected. This places more pressure on the NHS at a time when the service is already under significant stress.

The impact of the crisis is also unlikely to vanish overnight. Even if the financial landscape does improve, the impact that the cost-of-living crisis has had on children for instance, will likely remain with them for years to come. The fact that so many children are going cold, going hungry and have missed out on extracurricular activities should concern us all.

It is also vital that the sense of urgency that characterised the response to the pandemic and the cost-of-living crisis is not lost. It is not normal that more than three in ten people in Wales are going cold and that a quarter are going hungry. There is a real risk that as we see these figures repeated month after month our sense of shock and our desire to secure change is diluted. With a UK General Election expected later this year, and new First Minister set to be in post within weeks, it is vital that poverty remains a key issue on the political agenda.

Appendix

The total sample size for the survey undertaken by YouGov Plc was 1,029 Welsh adults (aged 16+). Fieldwork was undertaken between the 15th and 18th of January 2024. The survey was carried out online.

Sample sizes vary by demographic group. The non weighted sample sizes for each of the demographic groups discussed explicitly in this report are set out in the table below.

Demographic group	Sample size
Own home outright	375
Own home with a mortgage	259
Rent from a private landlord	146
Rent from a social landlord	98
Live in a household with at least one child younger than 18	189
Live in a household with no child younger than 18	840
Disabled people or people with a long term health condition that limits them "a lot"	123
People living in a household with an income of less than £20,000	226
People living in a household with an income of more than £20,000	803
People aged 16 to 24	116