



Chartered  
Institute of  
Housing  
Cymru

# What you need to know about current levels of poverty in Wales





# What you need to know about current levels of poverty in Wales



**Chartered  
Institute of  
Housing**  
Cymru

## Background

In January 2023 the [Joseph Rowntree Foundation](#) and the [Bevan Foundation](#) released their latest briefings on poverty. The Joseph Rowntree Foundation looked at the whole of the UK whilst the Bevan Foundation's analysis covered Wales only.

In January Welsh Government published the findings of the [National Survey for Wales](#) which looks at the levels of material deprivation a more severe form of disadvantage.

## Overall poverty and material deprivation levels

The National Survey for Wales found the following proportions of material deprivation:

- 11 per cent of all adults
- Four per cent of pensioners

These individuals live in a severe form of disadvantage where the individual is experiencing an acute lack of opportunities and resources.

The Joseph Rowntree Foundation found that currently 25 per cent of the Welsh population are in poverty (some of these will also be in material deprivation). This equates to 75,000 individuals. This is the third highest poverty rate when looking at the UK regions. Yet when we look at the four nations as a whole Wales has the highest poverty rate. This has been attributed to a high proportion of working adults not being in employment coupled with high levels of low paid work.

In Wales 14 per cent of households sometimes do not have enough for the basics. Nearly half of all households in Wales struggle to afford anything beyond day-to-day items.

## Child and family poverty levels

Child poverty in Wales is above the average rate and is between 27 and 36 per cent. In addition, child poverty rates in Wales have increased between three to six percentage points over the last six years. Currently 19 per cent of families with one child and 23 per cent of families with two children often or always struggle to afford all the essentials. Over half of families with children have had to go without heating in their home.

## Poverty and work

In Wales around 15 per cent of workers are in poverty. The greatest risk of poverty is for those individuals working in retail. The ongoing cost of living crisis and inflation being at a significantly higher rate than earnings growth is highly likely to increase the risk of in work poverty.

There are also regional inequalities in the availability of work and the transport networks that affect getting to work or being able to access high paying work.

## Housing and poverty

The cost of housing is a particular driver of poverty for households who are renting with 51 per cent of private renters being pulled into poverty by their housing costs. Yet in contrast just 17 per cent of private renters often or always do not have enough for the basics compared to 36 per cent of social housing tenants. Rates of poverty for social renters are also the highest at 42 per cent. Though this is reflective of lower incomes seen in social rent where 70 per cent of tenant's earnings are in the lowest 40 per cent.

Overall, 46 per cent of households are worried about being evicted from their home over the next three months. This is broken down as:

- 13 per cent own with mortgage
- 19 per cent rent privately
- 14 per cent rent from a social landlord.

This is likely to worsen over the coming months with private rents seeing the largest increase for a decade and spiraling mortgage costs due to increased interest rates.

## Ethnicity and poverty

Black and minority ethnic people are 2.5 times more likely than white people to be in relative poverty. BME people make up 15 per cent of the UK population yet 26 per cent of those in absolute poverty are from a BME background. BME households also have higher levels of in work poverty and child poverty. This is attributed to the fact that BME workers are more likely to have the type of jobs and working patterns that are associated with in work poverty.

## Disability and poverty

The current poverty rate for disabled people is 29 per cent with disabled working adults twice as likely to live in poverty. A key driver for poverty in this group is low employment levels.

Currently 52 per cent of disabled people have gone without heating their home and 39 per cent have cut back or skipped meals. Disabled people are also twice as likely to be concerned about losing their home over the next three months.

## A view from CIH Cymru

It is clear from both reports that there are significant levels of poverty in Wales with Welsh poverty levels at a higher level than rest of the UK. Families with children are most affected with nearly half, sometimes or always, not able to afford the essentials.

The data also shows that whilst social rent tenants are more likely to be in poverty, private rent tenants are more likely to slip into poverty because of their housing costs. Private tenants are also the most worried about losing their home in the next three months.





It is concerning that 46 per cent of households are concerned about losing their home within the next three months. There is already an increase in homelessness in Wales coupled with rising numbers in temporary accommodation for longer periods of time. The main reason for this is a significant lack of supply of affordable housing and increased costs in the private rented sector.

CIH are calling on Welsh Government to look at ways to increase supply of social and affordable housing.

We welcome the ongoing funding commitment of:

- 2023/24 - £330m
- 2024/25 - £325m

However, Inflationary pressures mean this money will not go as far. In 2021/22 the total completed developments was 1,000 fewer units than the previous year. Social and affordable housing must form a central part of the solution to tackling rising poverty levels in Wales, together with a robust decarbonisation programme in both the social and private rented sectors to improve energy efficiency and reduce fuel costs.

We also need to look at the level of income coming into a household. Wages have not kept pace with inflation with many households now seeing real terms cut in their take home pay. With in work poverty rising this needs to be addressed.

We are grateful that from April benefits will see an inflationary increase but there is more the UK Government can do including:

- Restoring local housing allowance (LHA) rates to at least the 30th percentile and return to annual uprating
- Remove the shared accommodation rate of LHA
- Remove the benefit cap and two child limit
- Remove the bedroom tax.

We ask that Welsh Government raises these issues at their discussions with UK Government around the forthcoming budget.

## Next steps

Whilst the data seems to paint a bleak picture for poverty levels in Wales we know that local authorities and housing associations are undertaking work to help residents and tenants to mitigate the impact of the cost of living. We would like to hear about this work so we can share it with our members so as a sector we can work together to help minimise the impact of poverty here in Wales. This can be job clubs, income maximisation teams or innovative ways of preventing homelessness. If you would like to be included, please contact: [cerys.clark@cih.org](mailto:cerys.clark@cih.org).

