



Llywodraeth Cymru
Welsh Government

STATISTICS

Relative income poverty: April 2021 to March 2022

For the period up to March 2022, households with an income less than 60% of the UK median, analysed by attributes such as age, economic status and family type.

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What is relative income poverty?

We define a person to be living in relative income poverty if they live in a household where the total household income from all sources is less than 60% of the average UK household income (as given by the median). All figures in this report relate to relative income poverty in Wales after housing costs such as mortgage interest payments/rent, water rates and structural house insurance were paid.

The data we have for relative income poverty comes from the [Households Below Average Income \(HBAI\) report](#) published by the Department of Work and Pensions (DWP).

The Family Resources Survey (FRS) is an annual household survey managed by the Department for Work and Pensions (DWP). It forms the basis for the [Households Below Average Income \(HBAI\) datasets \(DWP\)](#), from which official statistics on low income, including relative income poverty, are produced on an annual basis.

Impact of the coronavirus (COVID-19) pandemic on these statistics

Last year we did not publish the usual range of additional Welsh Government analysis of the poverty data due to data quality issues with financial year ending (FYE) 2021 data, due to the coronavirus (COVID-19) pandemic, as described in the Quality section. For FYE 2022 there remains some residual bias in the FRS sample resulting from the change in survey mode from established face-to-face interviews to telephone interviews. But we have assessed the FYE 2022 data quality to be robust so are publishing the usual range of additional analysis.

The two new data points being published span the FYE 2021 period but do not

include the FYE 2021 survey data in calculations, as it is judged to be of low quality. This means that for the two new data points, estimates formerly calculated as 3 to 5 year rolling averages are based on 2 to 4 year rolling averages that omit the FYE 2021 survey data. Note that the latest data points reported on below cover periods before and after the beginning of the pandemic, for example from April 2019 to March 2022, so will only partially capture any impact the pandemic may have had on relative poverty.

Due to the missing data year and the ongoing impact of the pandemic on survey response rates, the sample size is reduced in the latest two periods. This means that data are more volatile, and larger changes need to be interpreted carefully. To help users interpret the data more information on data quality in FYE 2022 can be found in [DWP's Technical Report](#).

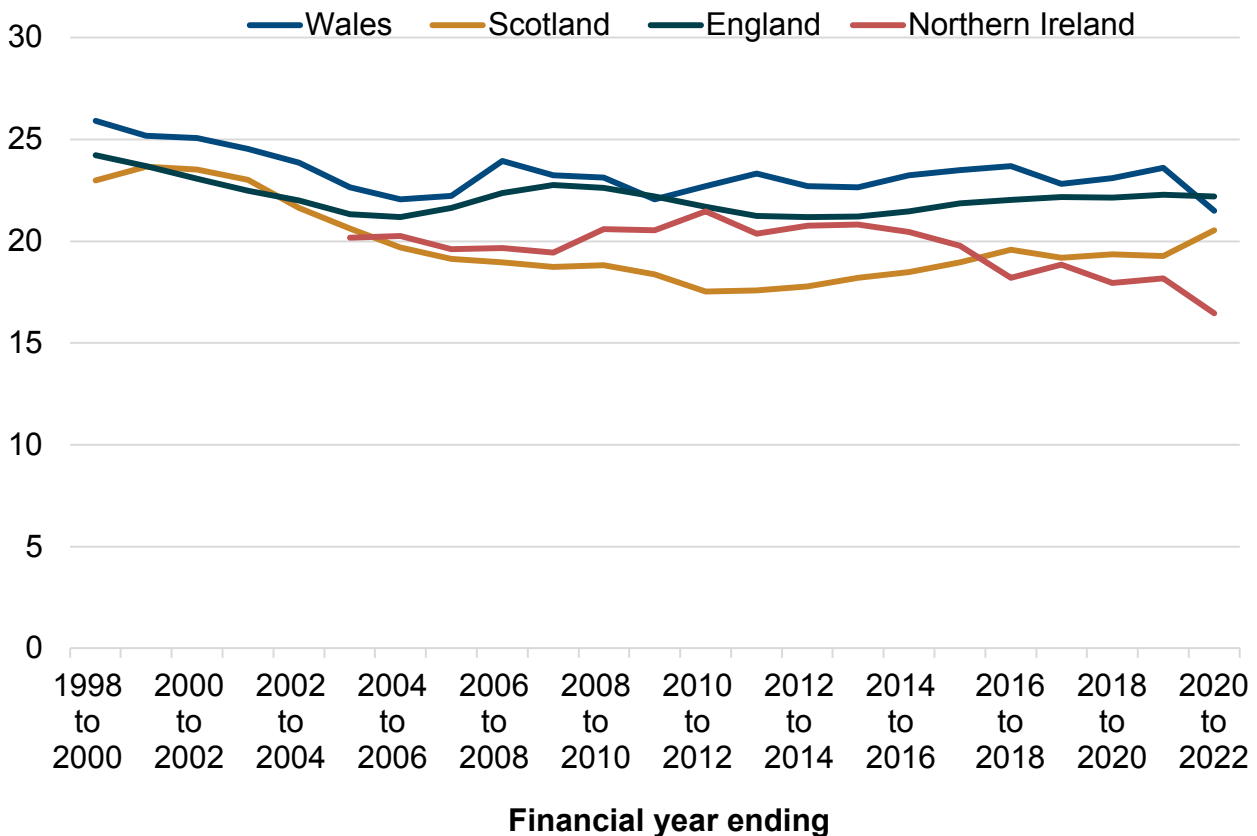
All data in this report is Welsh Government analysis of the [DWP's Households below average income dataset](#), based on the [Family Resource Survey \(DWP\)](#).

Main findings

- Between financial year ending (FYE) 2020 and FYE 2022, 21% of all people in Wales were living in relative income poverty.
- The percentage of people living in relative income poverty has been relatively stable in Wales for over 17 years.
- Although rates of people living in relative income poverty in Wales decreased in the most recent period across the age groups, none of these changes were statistically significant.

Figure 1: Percentage of people in each UK country living in relative income poverty (after housing costs), three-

financial-year averages



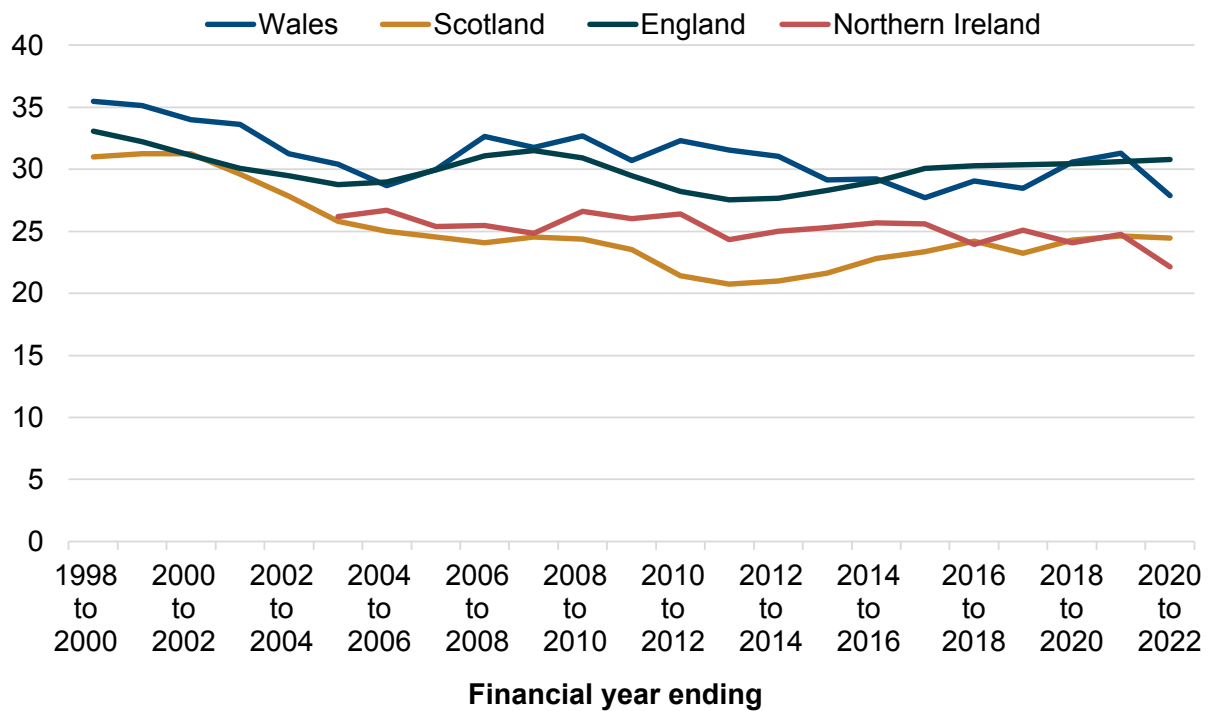
Description of Figure 1: A line chart showing that in England the percentage of people living in relative income poverty was slightly higher than in Wales at 22% between FYE 2020 and FYE 2022. In Scotland and Northern Ireland the figures were 21% and 16% respectively.

Children in relative income poverty

In Wales, 28% of children were living in relative income poverty in FYE 2020 to FYE 2022. This figure has decreased from 31% in the previous period (FYE

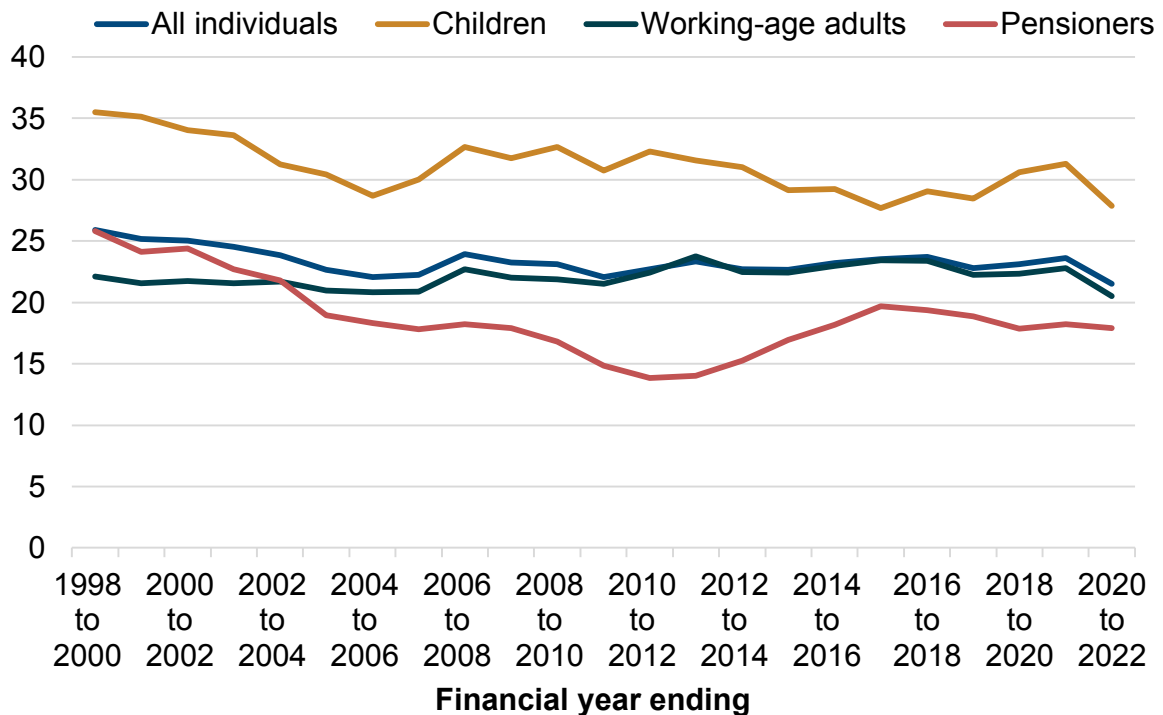
2019 to FYE 2021). However, please take care when interpreting change over the short term because trends can be volatile due to small sample sizes.

Figure 2: Percentage of children in each UK country living in relative income poverty (after housing costs), three-financial-year averages



Description of Figure 2: A line chart showing that in England the percentage of children living in relative income poverty was higher than in Wales at 31% between FYE 2020 and FYE 2022. In Scotland and Northern Ireland the figures were 24% and 22% respectively.

Figure 3: Percentage of each age group in Wales living in relative income poverty (after housing costs), three-financial-year averages



Description of Figure 3: A line chart showing that children are consistently the age group most likely to be in relative income poverty in Wales.

This was also true across all four UK nations. A possible reason for this is that adults with children are more likely to be out of work or working fewer hours due to childcare responsibilities.

Working-age adults in relative income poverty

Relative income poverty for working-age adults in Wales decreased to 21% for the period FYE 2020 to FYE 2022, compared to 23% in the previous period

(FYE 2019 to FYE 2021).

This is still above that seen for England (20%) and Northern Ireland (15%), but is the same as that in Scotland (21%) for the latest period.

Pensioners in relative income poverty

18% of pensioners in Wales were living in relative income poverty between FYE 2020 and 2022. This figure has remained relatively stable in recent years.

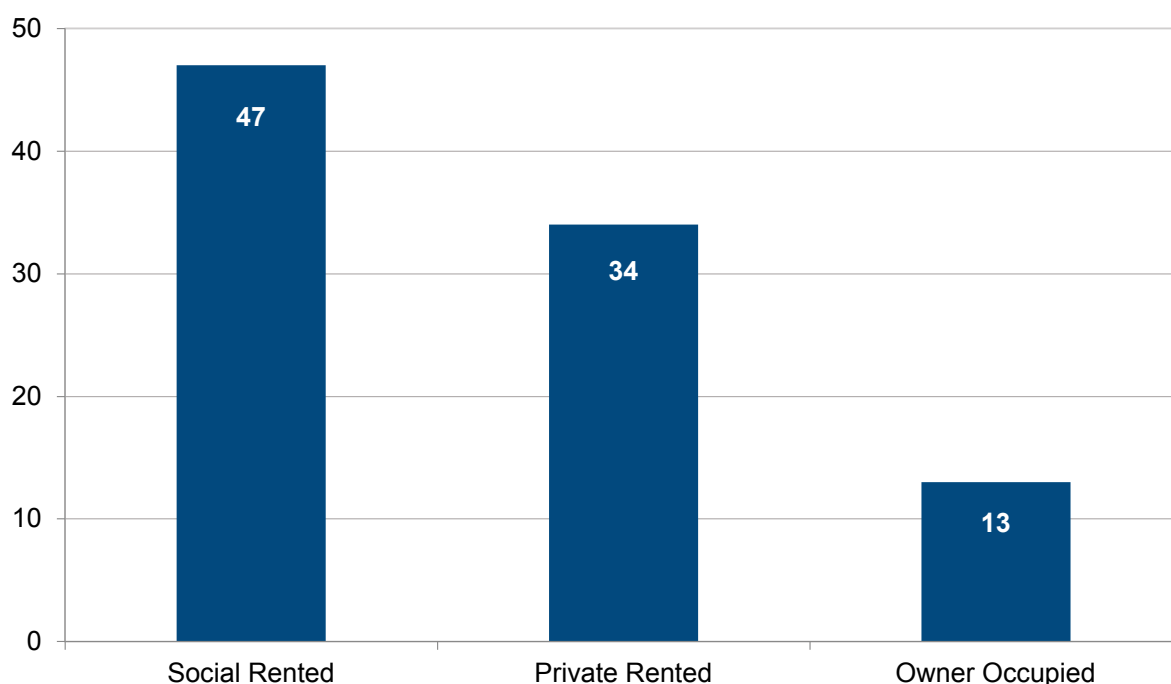
In England the percentage of pensioners living in relative income poverty was also 18%; in Scotland and Northern Ireland the figure was 15%.

This release contains data for one of the **national wellbeing indicators** (18: Percentage of people living in households in income poverty relative to the UK median: measured for children, working age and those of pension age).

There is an associated milestone with this national indicator: reduce the poverty gap between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and those without those characteristics by 2035. Commit to setting a stretching target for 2050.

Housing tenure

Figure 4: Percentage of people in each type of housing tenure in Wales, living in relative income poverty (after housing costs), FYE 2020 to FYE 2022



Description of Figure 4: A bar chart showing that people in social rented housing were more likely to be in relative income poverty (47%) than those in private rented (34%) or owner occupied housing (13%).

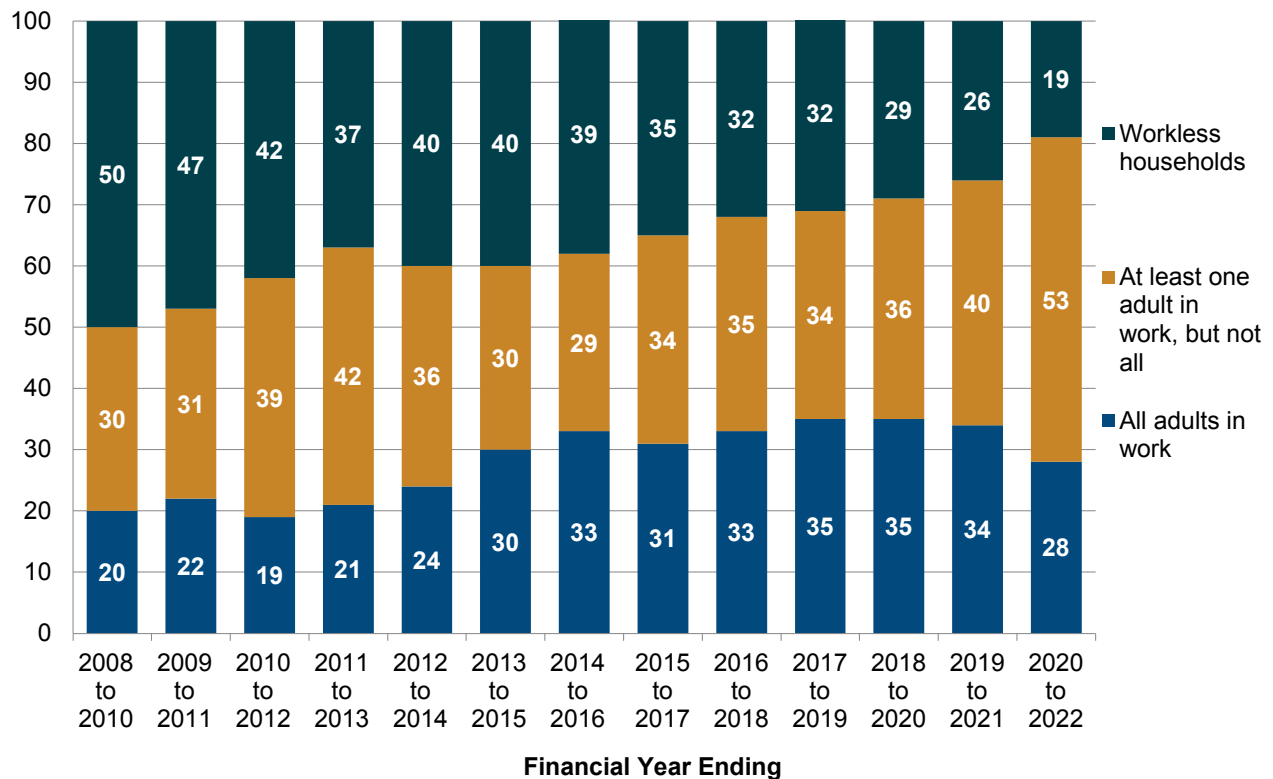
However, when considering all people in Wales in poverty (670,000), most people lived in owner occupied housing (41%) followed by those living in social rented housing (32%).

Economic status and type of employment

Although care should be taken with interpretation due to the small number of sampled households, children living in a workless household remained at higher risk of relative income poverty (at 43%) compared to children living in a working household (at 26%) in FYE 2020 to FYE 2022.

Within working households, there was also a marked difference between the likelihood of poverty for children in households where all the adults work (13%) compared to households where some (but not all) adults work (50%, but note this figure is based on a small sample).

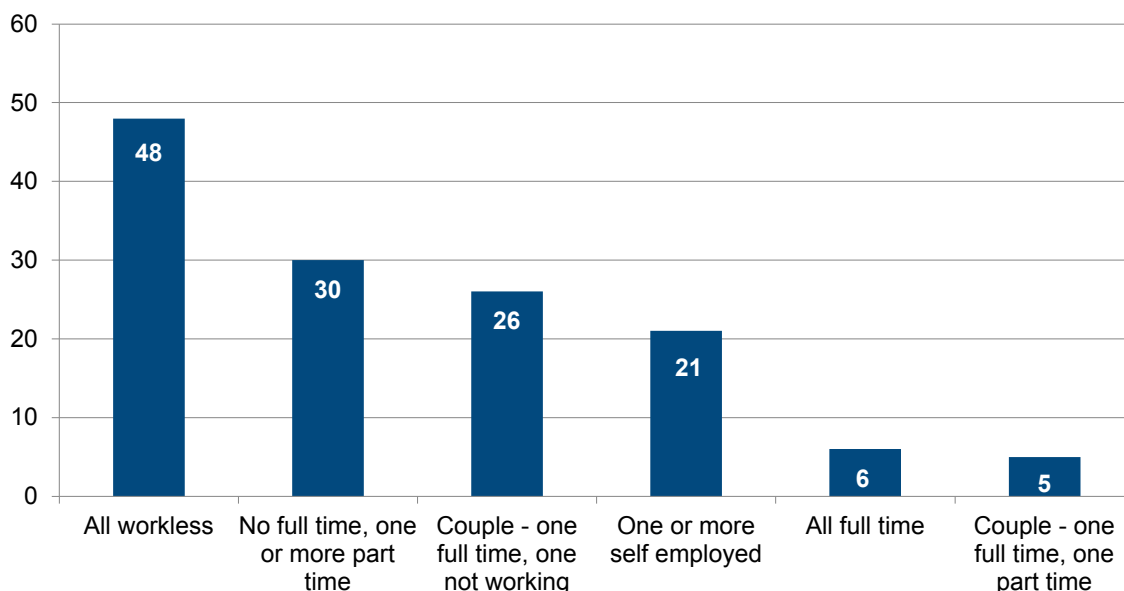
Figure 5: The children in Wales who were living in relative income poverty (after housing costs), by economic status of household, three-financial-year averages



Description of Figure 5: A 100% stacked bar chart that shows, in the most recent period, 81% of children who were living in relative income poverty lived in working households (around 140,000 children). This share has increased from 60% in the period FYE 2013 to FYE 2015.

Figure 6: Percentage of working-age adults in each household employment type in Wales, who were living in

relative income poverty (after housing costs), FYE 2020 to FYE 2022



Description of Figure 6: A bar chart showing that around half of working-age people living in workless households lived in poverty in FYE 2020 to FYE 2022.

Living with people who work reduces the likelihood of poverty. This risk is especially reduced where all adults work full time. However, there were still an estimated 40,000 working-age adults in relative income poverty despite living in households where everyone worked full-time.

Family characteristics

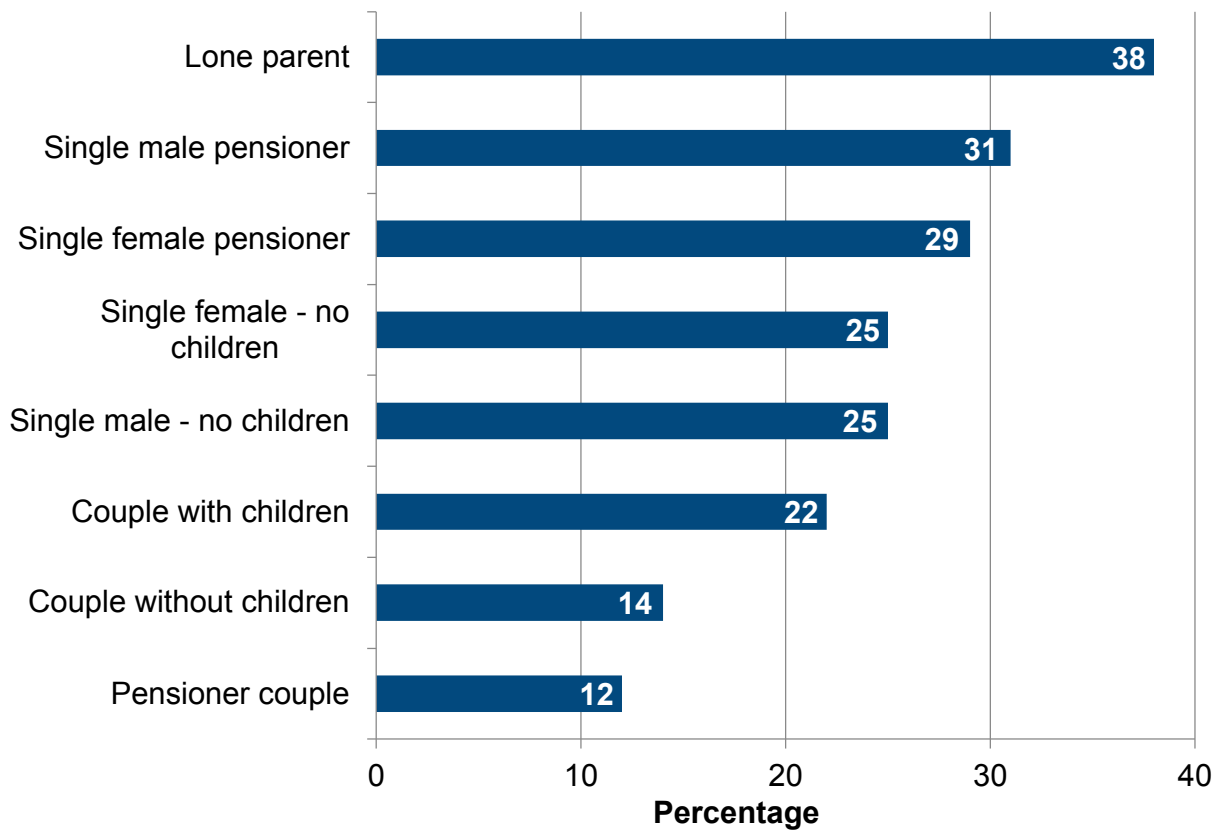
Figure 7: Percentage of people in each family type in

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Wales who were living in relative income poverty (after housing costs), FYE 2020 to FYE 2022



Description of Figure 7: A bar chart that shows that in the period FYE 2020 to FYE 2022:

- lone parent households were the family type most likely to be in relative income poverty (at 38%)
- 31% of single male pensioner households and 29% of single female pensioner households were in relative income poverty

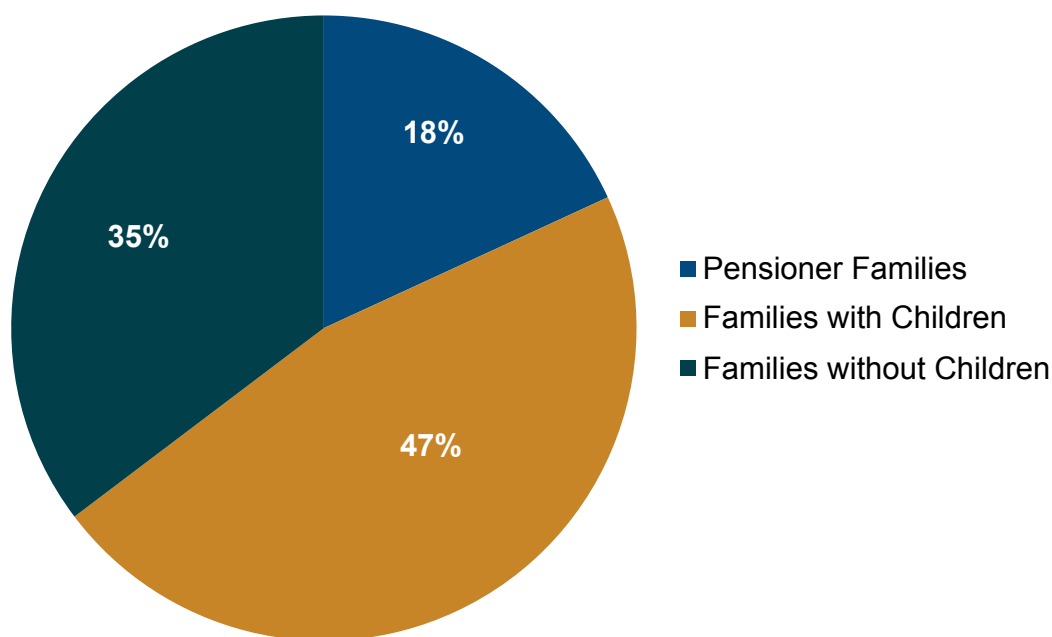
Around 80,000, or 38% of children who lived in lone parent families lived in

relative income poverty in the latest period, FYE 2020 to FYE 2022.

What type of families live in poverty?

Around a decade ago, most people living in relative income poverty were living in households with children. However, the pattern is now less clear with a similar proportion of those who are in relative income poverty living in households with children and without children.

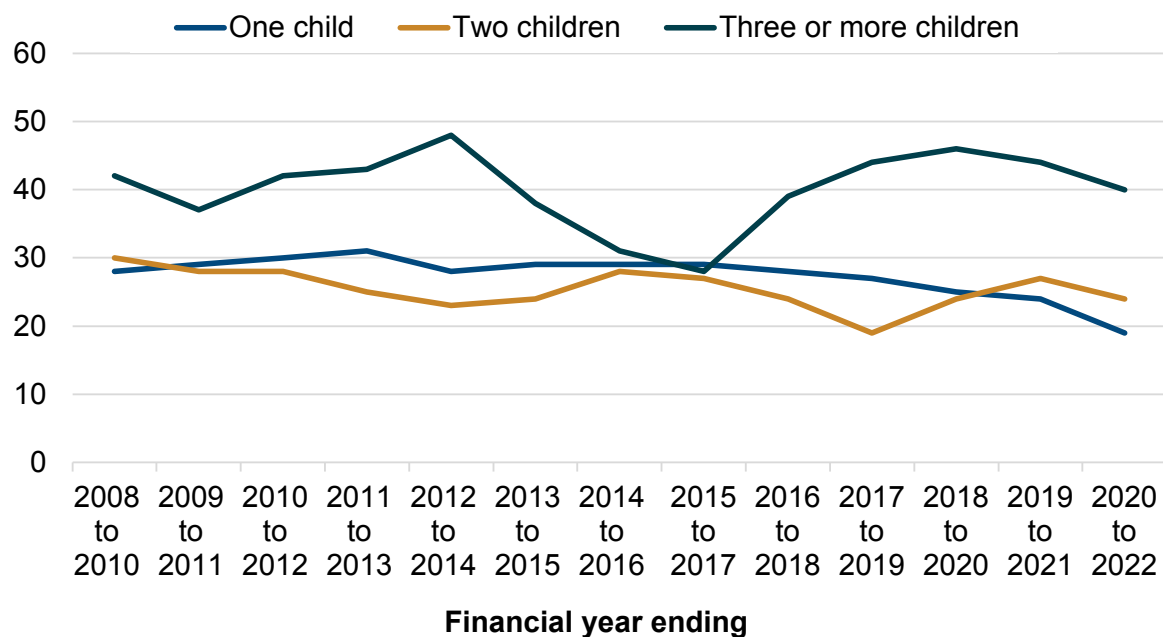
Figure 8: The people in Wales who were living in relative income poverty (after housing costs), by family type, FYE 2020 to FYE 2022



Description of Figure 8: A pie chart showing that, of people living in relative income poverty, 47% were in families without children, 35% were in families with children and 19% were in pensioner families. Families here include single people.

Children who lived in households where the youngest child was aged 0 to 4 accounted for 54% of all children that were in relative income poverty in FYE 2019 to FYE 2022.

Figure 9: Percentage of children in Wales who were living in relative income poverty (after housing costs), by number of children in the household, three-financial-year averages



Description of Figure 9: Line chart showing that children who lived in households where there were three or more children were more likely to live in relative income poverty between FYE 2020 and FYE 2022, compared with those who lived in households with one or two children, whereas five years ago all three rates were similar.

Ethnicity

Households in which the head of household was from a Black, Asian or minority ethnic group were more likely to be in relative income poverty than those with a head of household from a white ethnic group.

For the period FYE 2018 to FYE 2022 there was a 40% likelihood of people whose head of household comes from a Black, Asian or minority ethnic group living in relative income poverty. This compares to a 22% likelihood for those whose head of household comes from a white ethnic group. However, because the vast majority of households in Wales have a head who is from a white ethnic group, most people (96%) who were living in relative income poverty were from such households.

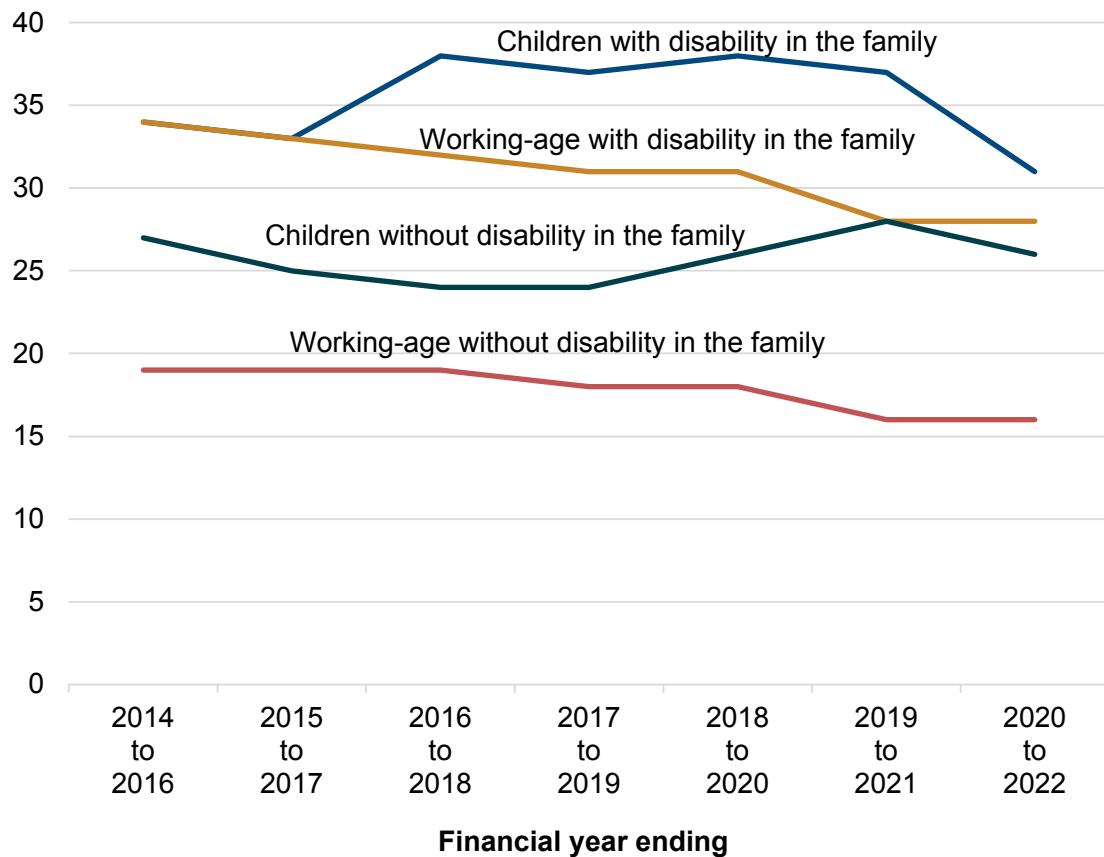
We were not able to produce robust figures for children or pensioners by ethnic group of head of household due to low sample sizes. For UK data by ethnic group (including further breakdowns by ethnicity) please see the [HBAI tables produced by the DWP](#).

Disability

In the survey data, disabled people are identified as those who report any physical or mental health condition or illness that are expected to last 12 months or more, and which limit their ability to carry out day-to-day activities a little, or a lot. This is in line with the Equality Act definition.

Figure 10: Percentage of children and working-age people in Wales who were living in relative income poverty (after housing costs), by disability in the family, three-financial-

year averages



Description of Figure 10: A line chart showing that children and working age people who live with a person who has a disability have a higher risk of living in relative income poverty.

In the latest period (FYE 2020 to FYE 2022) 31% of children who lived in a family where there was someone with a disability were in relative income poverty compared with 26% of those in families where no-one was disabled.

For working-age adults, 28% who lived in a family where there was someone with a disability were in relative income poverty compared with 16% of those in

families where no-one was disabled.

Quality and methodology information

Summary information on what to keep in mind when interpreting these statistics can be found on the [Relative income poverty series page](#).

It's important to remember that these figures are based on results from the Family Resources Survey (FRS) which is based on a small sample for Wales (around 900 households every year). We advise caution when looking at year on year changes as these are unlikely to be statistically significant. For more detailed methodological information go to the [Relative income poverty: methodology page](#).

What were the data quality issues last year?

On 31 March 2022, the DWP released new FRS and HBAI statistics including the first official poverty statistics for the period after the beginning of the coronavirus (COVID-19) pandemic, financial year ending (FYE) 2021. Fieldwork operations for the FYE 2021 FRS were rapidly changed in response to COVID-19 and the introduction of public health measures. Several factors impacted on response rates and characteristics of respondents to the survey.

Analysis of the HBAI data below UK level is not recommended using the FYE 2021 data as the combination of smaller sample sizes and additional bias means it is not possible to make meaningful statistical assessments of trends and changes in FYE 2021 compared to the pre-coronavirus level. As a result, the DWP did not include any Welsh poverty statistics in last year's FYE 2021 HBAI release.

Due to the issues described above, we did not publish the usual range of additional Welsh Government analysis of the poverty data last year. Instead, we published an [article describing the data quality issues](#). This article presented Welsh poverty-related figures using the FYE 2021 HBAI data to ensure full transparency but advised against use of the unreliable FYE 2021 dataset for Wales. However, the changes to our publication were temporary and have now been reviewed in collaboration with DWP as they developed the FYE 2022 dataset.

What about data quality this year?

As with FYE 2021, collection of the FYE 2022 FRS data was affected by the coronavirus (COVID-19) pandemic. Although government restrictions introduced in response to the pandemic were significantly eased over the course of the survey year, the change in survey mode from established face-to-face interviews to telephone interviews in response to the pandemic persisted for the duration of the survey year 2021 to 2022.

For FYE 2022, following extensive analysis the DWP are content that levels of bias in the data resulting from the mode change are lower than FYE 2021 and are having less influence on the statistics. We judge the FYE 2022 HBAI data quality to be robust and are publishing the usual range of additional analysis.

The two new data points being published span the FYE 2021 period but do not include the FYE 2021 survey data in calculations, as it is judged to be of low quality. This means that for the two new data points, estimates formerly calculated as 3 to 5 year rolling averages are based on 2 to 4 year rolling averages that omit the FYE 2021 survey data. This means that some real changes that happened to incomes, such as the furlough scheme or the temporary increase of Universal Credit are only partially captured in the time series.

This follows the DWP decision to not publish breakdowns of the headline FYE 2021 estimates. This approach will also be adopted for several other publications where use is made of the HBAI regional estimates to inform their statistics. These are **Children in Low Income Families (CILIF) (DWP)** local area statistics, and statistics on incomes in the devolved administrations, published by **Scotland (Poverty and income inequality statistics) (Scottish Government)**, and **Northern Ireland (Family resources survey and poverty analysis) (Department for Communities)**.

Due to the issues described above there remain areas where caution is advised when making comparisons with previous years and interpreting larger changes. To help users interpret the data more information on data quality in FYE 2022 can be found in **DWP's Technical Report**.

National Statistics status

The **United Kingdom Statistics Authority** has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the **Code of Practice for Statistics**.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

The data we have for relative income poverty comes from the **Households Below Average Income (HBAI) report** published by the Department of Work and Pensions (DWP). Since the latest review by the Office for Statistics

Regulation, DWP have continued to comply with the Code of Practice for Statistics, and have made a number of improvements. For more information please refer to the [latest HBAI report on the GOV.UK website](#).

Well-being of Future Generations Act (WFG)

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act puts in place seven wellbeing goals for Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. Under section 10(8) of the Well-being of Future Generations Act, where the Welsh Ministers revise the national indicators, they must as soon as reasonably practicable (a) publish the indicators as revised and (b) lay a copy of them before the Senedd. These national indicators were laid before the Senedd in 2021. The indicators laid on 14 December 2021 replace the set laid on 16 March 2016 and this release includes one of the national indicators:

(18) Percentage of people living in households in income poverty relative to the UK median: measured for children, working age and those of pension age.

Information on the indicators, along with narratives for each of the wellbeing goals and associated technical information is available in the [Well-being of Wales report](#).

As a national indicator under the Act they must be referred to in the analyses of local well-being produced by public services boards when they are analysing the state of economic, social, environmental and cultural well-being in their areas.

The Act states national milestones must be set that “...the Welsh Ministers consider would assist in measuring whether progress is being made towards the achievement of the well-being goals.” In doing so Welsh Ministers must specify how we know that a national milestone has been achieved and the time by which it is to be achieved.

National milestones are not performance targets for any individual organisation, but are collective measures of success for Wales.

In this release indicator 18: Income poverty relative to the UK median (different age groups) corresponds to one milestone:

Reduce the poverty gap between people in Wales with certain key and protected characteristics (which mean they are most likely to be in poverty) and those without those characteristics by 2035. Commit to setting a stretching target for 2050.

Further information on the **Well-being of Future Generations (Wales) Act 2015**.

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local wellbeing assessments and local wellbeing plans.

Contact details

Statistician: Richard Murphy
Email: stats.inclusion@gov.wales

Media: 0300 025 8099



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