



Llywodraeth Cymru
Welsh Government

STATISTICS, DOCUMENT

Relative income poverty: April 2022 to March 2023

For the period up to March 2023 households with 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

Fieldwork operations for the financial year ending (FYE) 2021 survey were rapidly changed in response to the coronavirus (COVID-19) pandemic and the introduction of public health measures. Several factors impacted on response rates and characteristics of respondents to the survey, as described in the Quality section. Analysis of the HBAI data below UK level is not recommended using the FYE 2021 data. Due to increased confidence in FYE 2022 data, last year DWP and Welsh Government resumed publication of data below UK level.

As for last year, the 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 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.

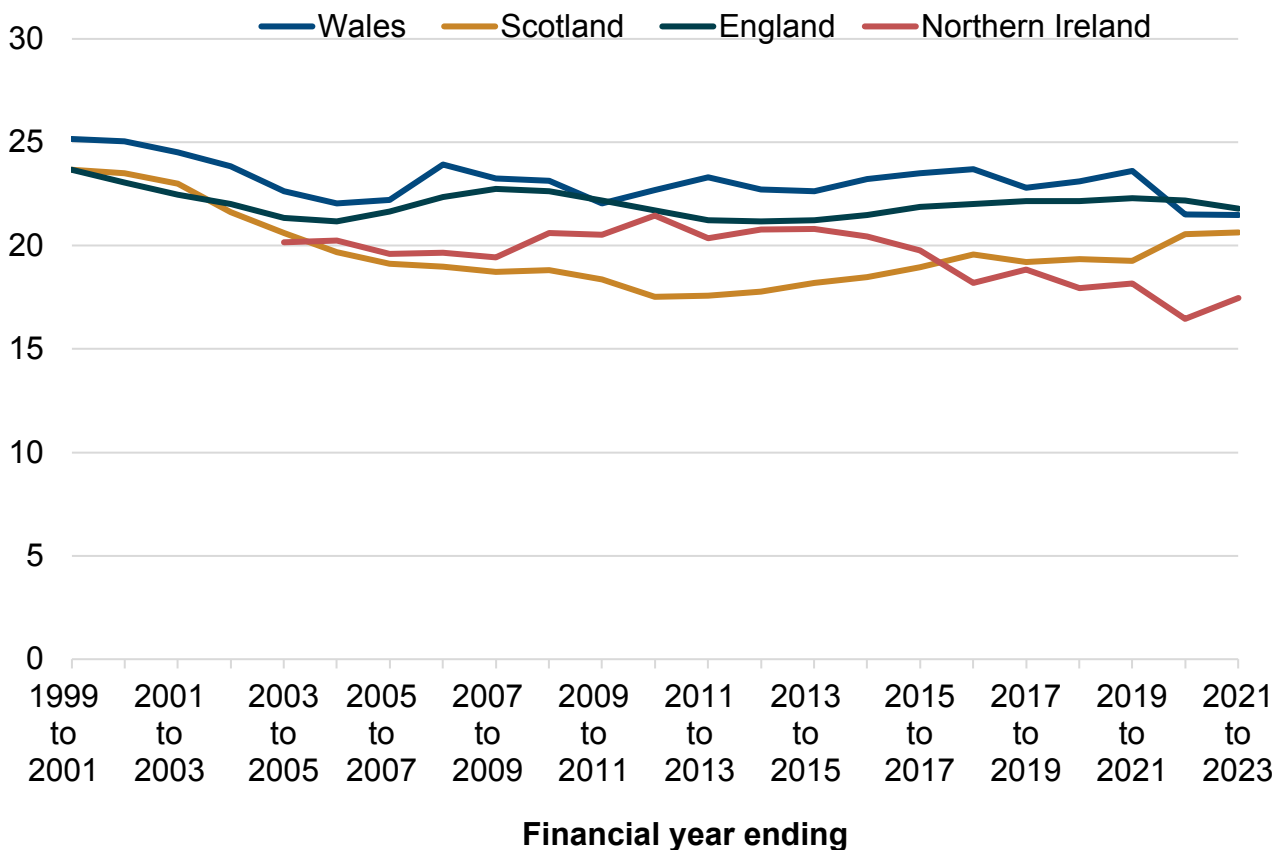
Due to the missing data year and the impact of the pandemic on survey response rates, the sample size was smaller than usual in the two periods ending FYE 2021 and FYE 2022, which were published last year. This means that for these periods data are more volatile, and larger changes need to be interpreted carefully. Sample sizes for the new data points published this year, for periods ending FYE 2023, are broadly similar to pre-pandemic levels due to a sample boost in Wales for the latest survey year. To help users interpret the data, more information on data quality in FYE 2023 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](#).

Main findings

- Between financial year ending (FYE) 2021 and FYE 2023, 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 18 years.

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



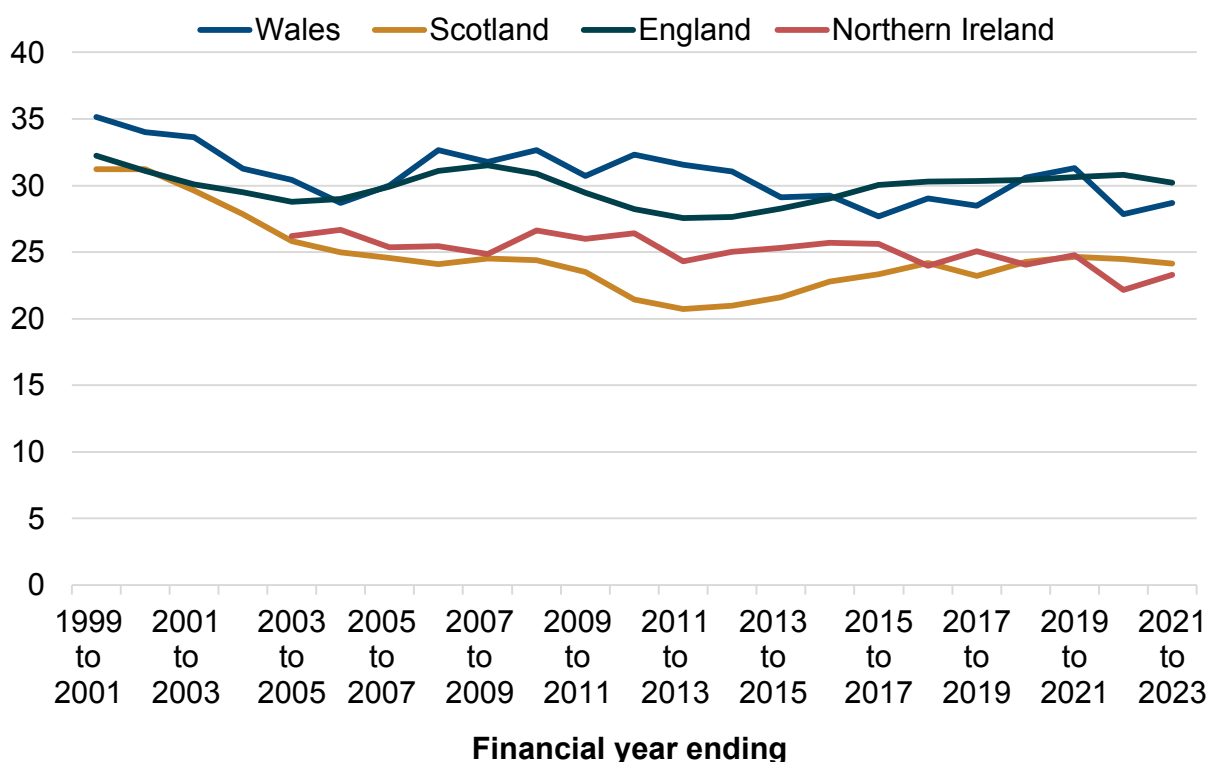
Description of Figure 1: A line chart showing that in England the percentage of people living in relative income poverty was slightly higher than in Wales at 22% between FYE 2021 and FYE 2023. In Scotland and Northern Ireland the figures were 21% and 17% respectively.

Children in relative income poverty

In Wales, 29% of children were living in relative income poverty in FYE 2021 to

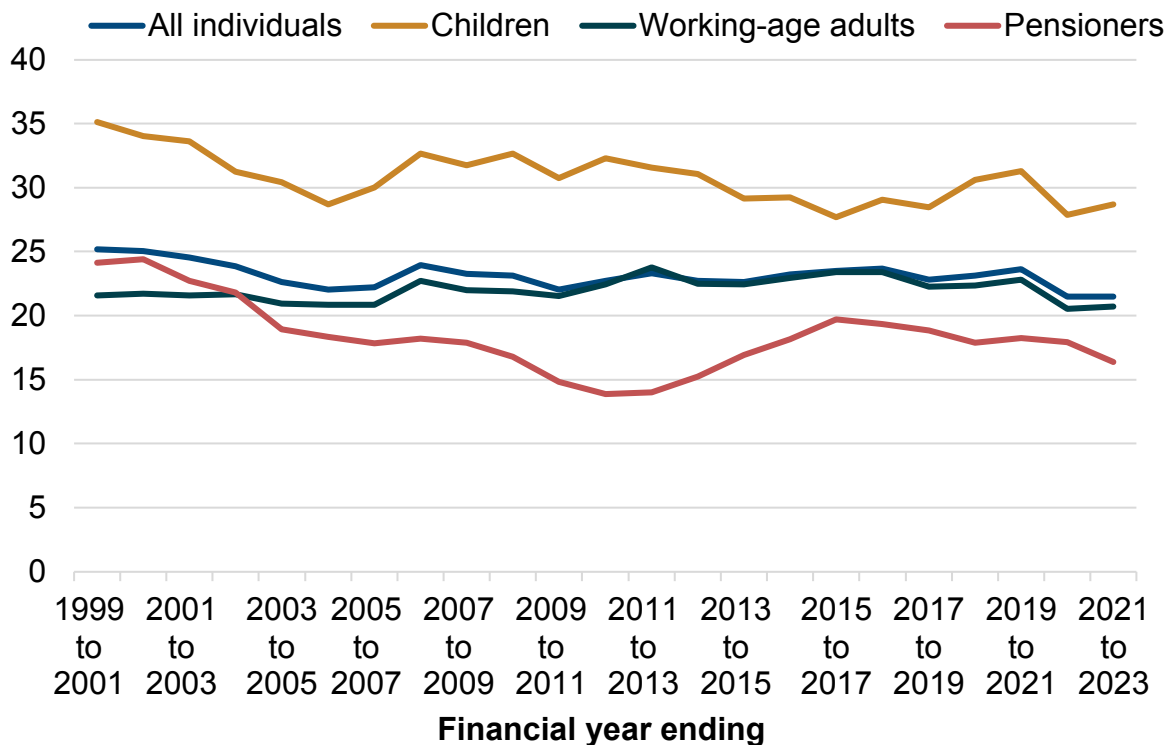
FYE 2023. This figure has increased slightly from 28% in the previous period (FYE 2020 to FYE 2022). However, please take care when interpreting change over the short term because trends can be volatile due to small sample sizes.

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 30% between FYE 2021 and FYE 2023. In Scotland and Northern Ireland the figures were 24% and 23% 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

- 21% of working-age adults in Wales were in relative income poverty for the period FYE 2021 to FYE 2023, this is the same percentage as the previous period (FYE 2020 to FYE 2022)

- This is still above that seen for England (20%) and Northern Ireland (16%), but is the same as that in Scotland (21%) for the latest period.

Pensioners in relative income poverty

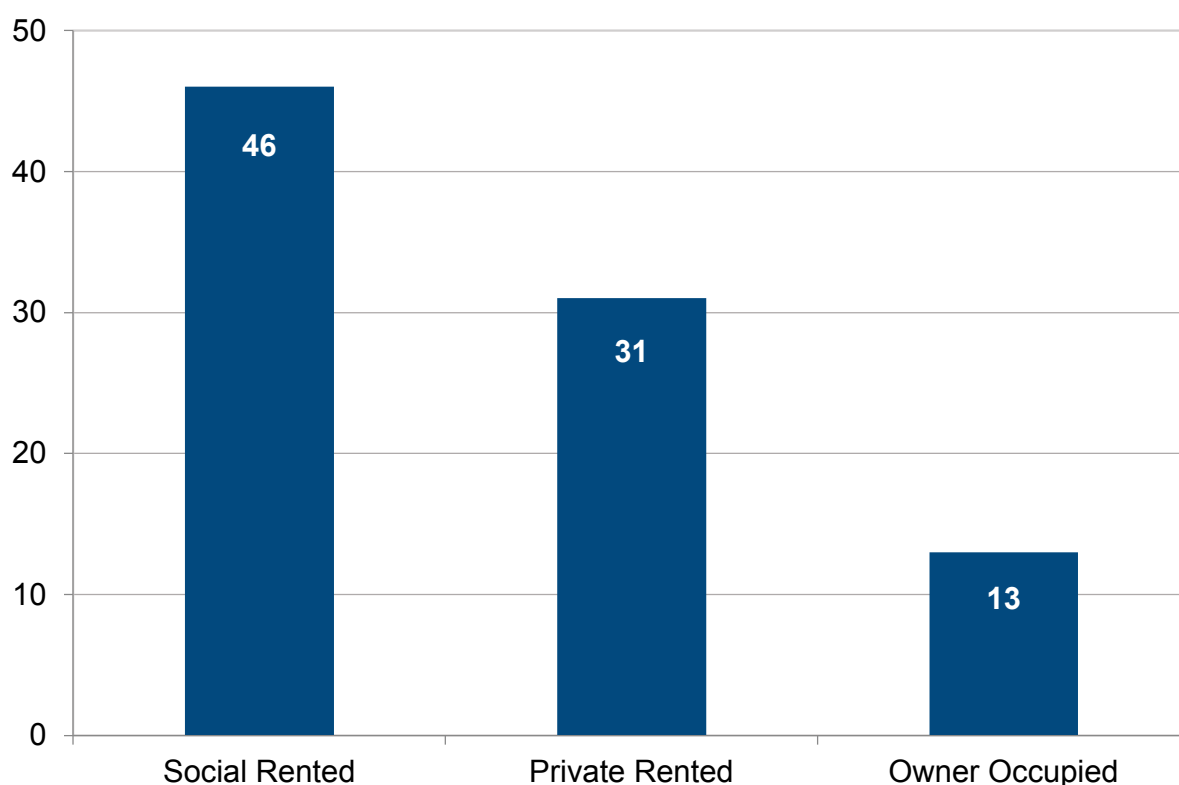
- 16% of pensioners in Wales were living in relative income poverty between FYE 2021 and 2023, a decrease from 18% in the previous period (FYE 2020 to FYE 2022).
- In England the percentage of pensioners living in relative income poverty was 17%; in Scotland it was 15% and in Northern Ireland it was 14%.

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 2021 to FYE 2023



Description of Figure 4: A bar chart showing that people in social rented housing were more likely to be in relative income poverty (46%) than those in private rented (31%) or owner occupied housing (13%).

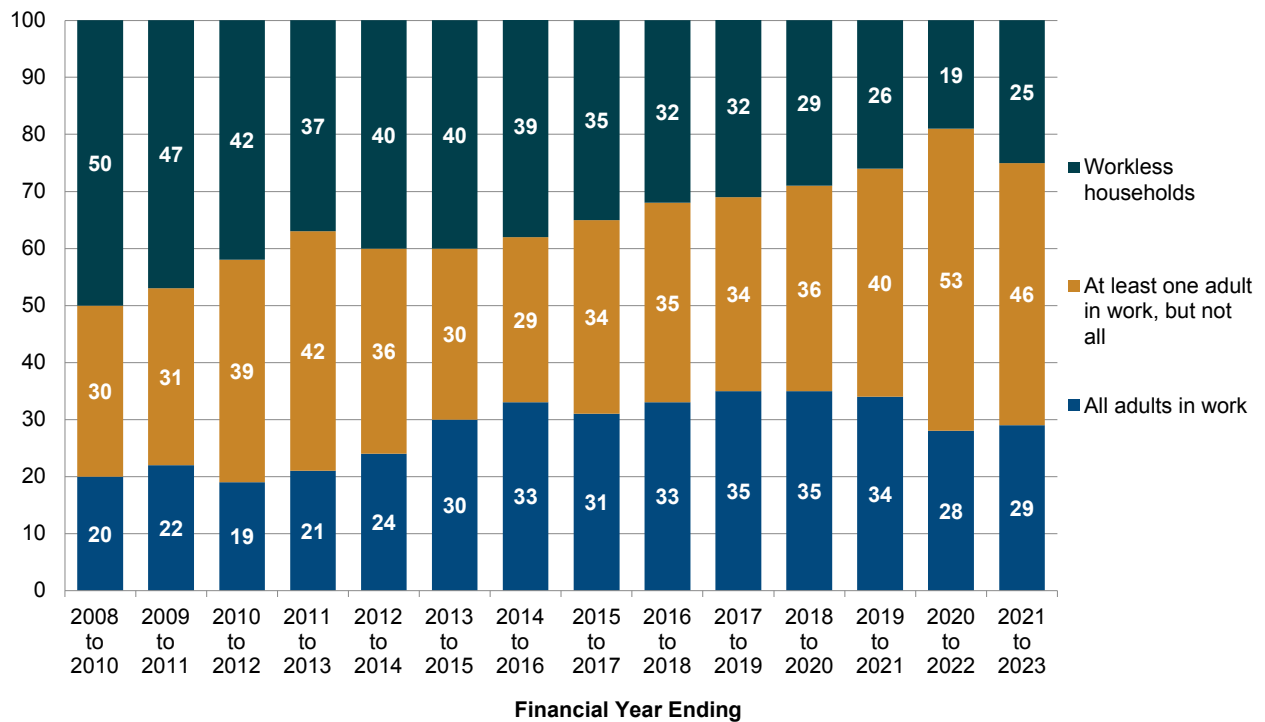
However, when considering all people in Wales in poverty (670,000), most people lived in owner occupied housing (41%) followed by those living in social rented housing (35%).

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 49%) compared to children living in a working household (at 25%) in FYE 2021 to FYE 2023.

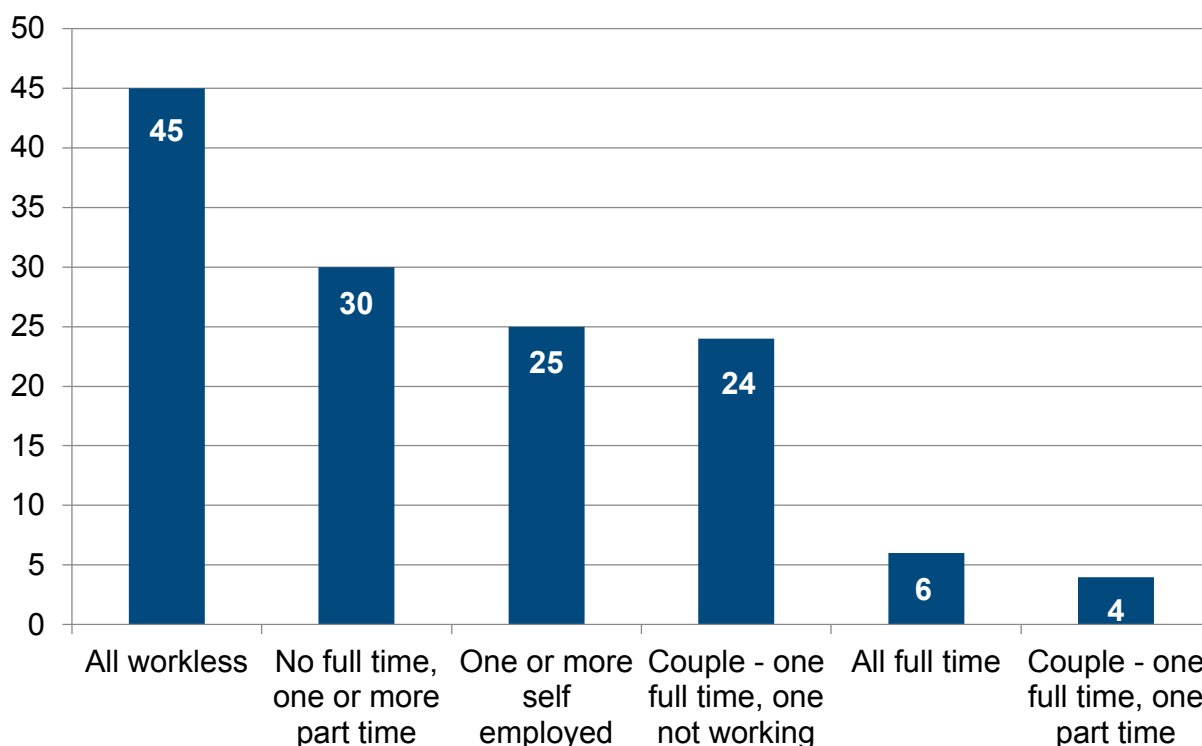
Within working households, there was also a marked difference between the likelihood of poverty for children in households where all the adults work (14%) compared to households where some (but not all) adults work (48%, but note this figure is based on a small sample).

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, 75% 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 2021 to FYE 2023

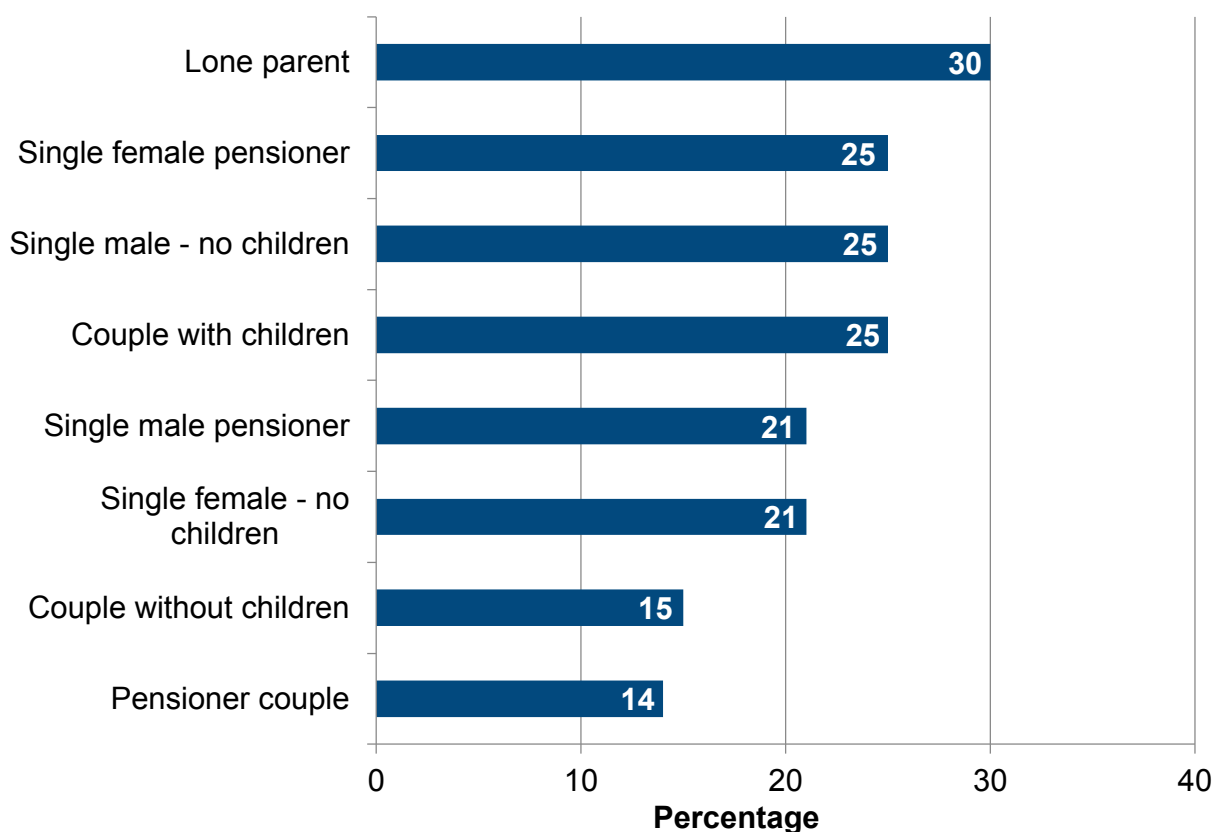


Description of Figure 6: A bar chart showing that almost half of working-age people living in workless households lived in poverty in FYE 2021 to FYE 2023.

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 Wales who were living in relative income poverty (after housing costs), FYE 2021 to FYE 2023



Description of Figure 7: A bar chart that shows that in the period FYE 2021 to FYE 2023:

- lone parent households were the family type most likely to be in relative income poverty (at 30%)
- 25% of households composed of single female pensioners, single males with

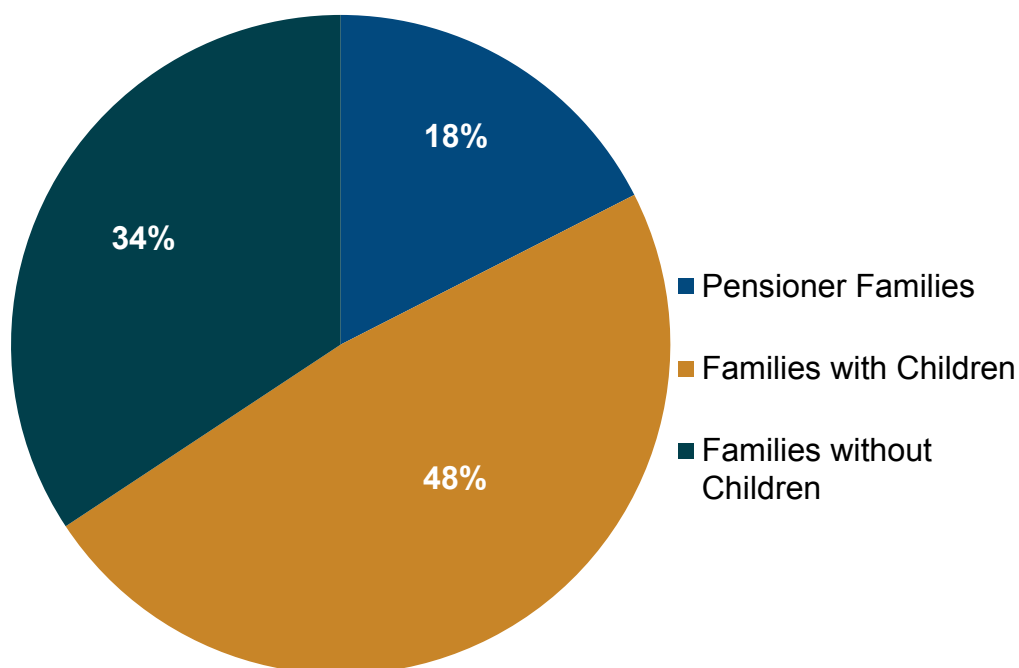
no children and couples with children were in relative income poverty

Around 40,000, or 30% of children who lived in lone parent families lived in relative income poverty in the latest period, FYE 2021 to FYE 2023.

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 2021 to FYE 2023

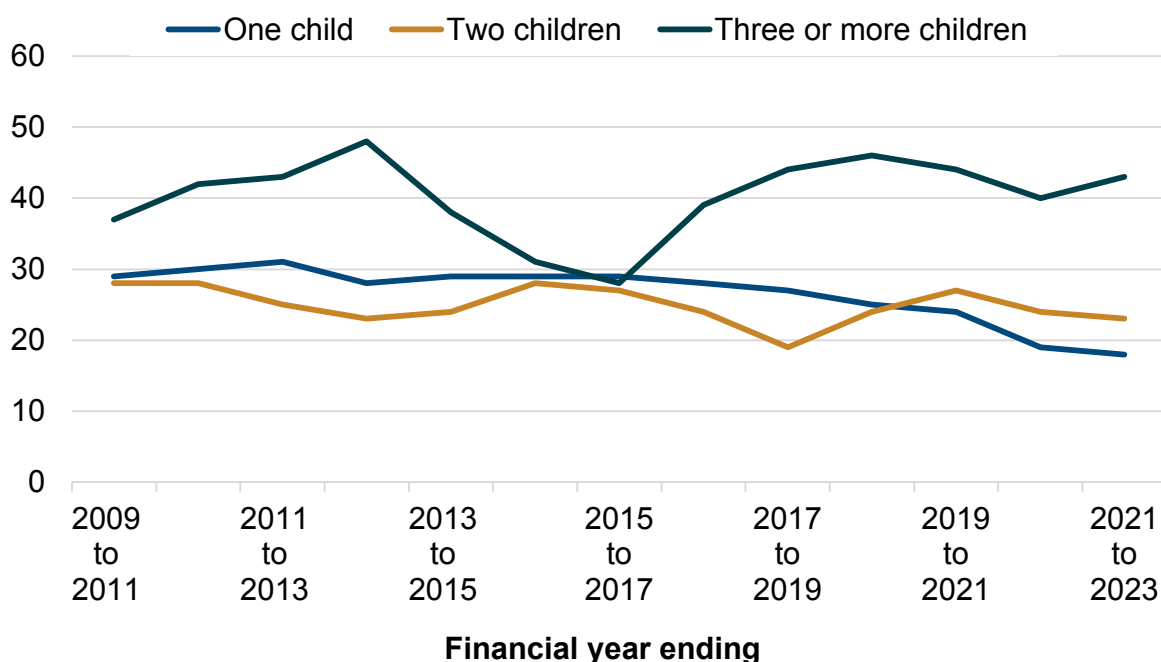


Description of Figure 8: A pie chart showing that, of people living in relative income poverty, 48% were in families with children, 34% were in families without

children and 18% 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 2020 to FYE 2023.

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 2021 and FYE 2023 compared with those who lived in households with one or two children, whereas six 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.

FYE 2019 to FYE 2023

There was a 50% likelihood of people whose head of household comes from a Black, Asian or minority ethnic group living in relative income poverty.

This is an increase from 40% in the period FYE 2018 to FYE 2022 however, please take care when interpreting change over the short term because trends can be volatile due to small sample sizes.

This compares to a 22% likelihood for those whose head of household comes from a white ethnic group.

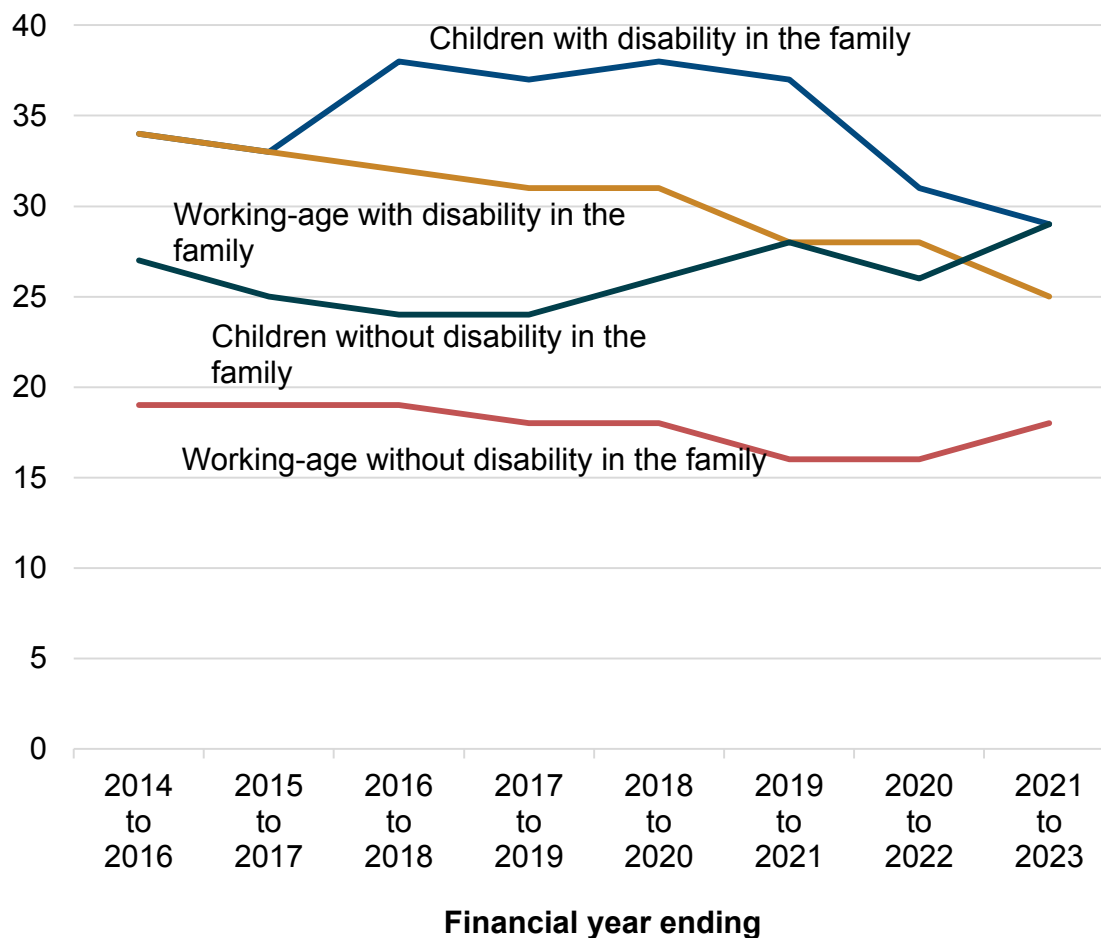
However, because the vast majority of households in Wales have a head who is from a white ethnic group, most people (93%) who were living in relative income poverty were from such households.

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 working age people who do not live with a person who has a disability have a lower risk of living in relative income poverty than those who do live with a person who has a disability.

In the latest period (FYE 2021 to FYE 2023) for working-age adults, 25% who lived in a family where there was someone with a disability were in relative

income poverty compared with 18% of those in families where no-one was disabled.

There was no difference in the percentage of children in relative income poverty by whether there was a disability in the household (29%).

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 for FYE 2021 and FYE 2022?

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 the FYE 2021 HBAI release.

Due to the issues described above, in 2022 we did not publish the usual range of additional Welsh Government analysis of the poverty data. 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 were reviewed in collaboration with DWP as they developed the FYE 2022 dataset last year. Due to increased confidence in FYE 2022 data, DWP resumed publication of data below UK level, although any data points that span the FYE 2021 period do not include the FYE 2021 survey data in calculations, as it is judged to be of low quality.

What about data quality this year?

While FRS fieldwork operations were not identical to pre-pandemic in FYE 2023, they gradually returned throughout the year to something much closer to that than the period spanning the coronavirus (COVID-19) pandemic, when telephone interviewing only was used. The mode of interview for the FRS during FYE 2023 returned to face-to-face by default, with telephone used as an alternative by 28% of sampled households (across the UK).

DWP have enhanced confidence in data quality of this year's sample, which was more representative than during the pandemic, with the profile of respondents closer to those who responded to the survey prior to FYE 2021. More information on the FRS fieldwork can be found in the [FRS Background Information and Methodology](#) report, and Annex 5 of the [HBAI Quality and](#)

Methodology Information (DWP) document provides further details on the composition of the FRS sample for FYE 2023.

As for last year, the new data points we have published for Wales 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 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 (DWP)** (CILIF) local area statistics, and statistics on incomes in the devolved administrations, published by Scotland (**'Poverty and Income Inequality in Scotland 2019-22' (Scottish Government)**), and Northern Ireland (**'Family resources survey and poverty analysis' (Department for Communities)**).

DWP continue to advise users that changes in estimates over recent years should be interpreted being mindful of the differences in data collection approaches across the period and the effect this had on sample composition. Details of this can be found in the technical reports which were issued alongside the statistical releases covering the pandemic.

Official statistics status

All official statistics should show the standards of the **Code of Practice for Statistics**.

These official statistics have been accredited as National Statistics, in accordance with the Statistics and Registration Service Act 2007, signifying compliance with the Code of Practice for Statistics.

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

They are accredited as National Statistics following an independent review by the UK Statistics Authority's regulatory arm, the Office for Statistics Regulation (OSR).

It is Welsh Government's responsibility to maintain compliance with the standards expected of accreditation. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with OSR promptly. Accreditation can be cancelled or suspended at any point when the highest standards are not maintained, and reinstated when standards are restored.

The data we have for relative income poverty comes from the **Households Below Average Income (HBAI) report published by 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**. They comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics.

Accredited official statistics (Office for Statistics Regulation (OSR)) are called National Statistics in the Statistics and Registration Service Act 2007.

Statement of compliance with the Code of Practice for Statistics

Our statistical practice is regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the Code of Practice for Statistics that all producers of official statistics should adhere to.

All of our statistics are produced and published in accordance with a number of statements and protocols to enhance trustworthiness, quality and value. These are set out in the Welsh Government's [Statement of Compliance](#).

These official statistics demonstrate the standards expected around trustworthiness, quality and public value in the following ways.

Trustworthiness

These statistics were compiled from Households Below Average Income data derived from the Family Resource Survey, both managed by the Department for Work and Pensions (DWP). Publications have been pre-announced four weeks ahead of publication and are jointly released with DWP to ensure data is made available to all users at the same time.

These statistics are compiled by professional analysts and statisticians who work under the supervision of the Welsh Government Chief Statistician to ensure that the statistics, data and explanatory material are presented impartially and objectively and are in accordance with the requirements of the Data Protection Act 2018.

Quality

HBAI data is managed and processed by DWP statisticians with statisticians from Welsh Government and other devolved administrations providing additional quality assurance checks.

Additional analysis of HBAI data for Wales is performed by Welsh Government statisticians to provide additional breakdowns. These results are published as a three-to-five-year average to improve accuracy. Results based on fewer than a hundred responses are suppressed and fewer than two hundred are highlighted in the report and flagged as low quality in accompanying tables.

Figures between nations can, in general, be directly compared as can changes over time however any comparisons should take into account any caveats stated (e.g. impact of differing data collection during the pandemic).

The published figures provided are compiled by professional analysts using the latest available data and applying methods using their professional judgement and analytical skillset. This included careful and independent validation of all elements of the compiling and drafting process by Welsh Government statisticians.

Statistics published by Welsh Government adhere to the Statistical Quality Management Strategy which supplements the Quality pillar of the Code of Practice for Statistics and the European Statistical System principles of quality for statistical outputs.

Further information on the quality of the underlying dataset can be found in [DWP's latest HBAI quality and methodology information report](#).

Value

In publishing this data, we aim to provide evidence for ministers, policy makers and external stakeholders on poverty, and to inform the wider public.

As mentioned above, in addition to the first release of this data by DWP, further breakdowns of HBAI data for Wales are published by Welsh Government statisticians reflecting key household and protected characteristics, where sample sizes allow reasonably robust estimates.

The statistics and figures have been styled and published in an accessible format in line with accessibility legislation. **The figures in this report are also available in the accessible open document spreadsheet (ODS) format** and on the **StatsWales website**.

You are welcome to contact us directly with any comments about how we meet these standards. Alternatively, you can contact OSR by emailing regulation@statistics.gov.uk or via the OSR 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

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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

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SFR 21/2024

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