

Monitoring poverty and social exclusion in Wales 2005

A study from the New Policy Institute draws on the latest available data to monitor indicators of poverty and social exclusion in Wales. While low income is clearly central, the indicators also cover education, work, health and well-being, and access to services. The key points are:

- Steady falls in the proportion of people of all ages living in low-income households have brought poverty rates in Wales down to the GB average. Though highest in the Valleys, every part of Wales has significant levels of child poverty.
- Unemployment has also fallen steadily to UK levels or below. However, more people are 'economically inactive but wanting work' than unemployed, especially in the Valleys.
- Homelessness is rising sharply, as is the number of homeless households placed in temporary accommodation.
- Wales stands out within Britain for the high prevalence of working-age ill health across all ages. It is highest in the Valleys, with significant pockets across the west of Wales.
- Households where someone is in work are a rising share of those in poverty. Low pay is especially associated with part-time work. Most low-paid workers are women. Retail and the public sector are the main employers of low-paid workers.
- Low pay is most prevalent in rural areas, especially Pembrokeshire, Ceredigion, Gwynedd and Powys.
- Improving trends in educational attainment at 11 and 16 slowed around 2000 and in some cases came to a halt. Compared with England, Wales has a particularly high proportion of 16-year-olds failing to get any GCSEs at all.
- 17-year-olds who have neither five good GCSEs nor an equivalent vocational qualification are very unlikely to have any further qualifications by the age of 24.
- Both the quality of GP services and the provision of childcare places are lower in the Valleys than elsewhere in Wales.
- Rural, West and North West Wales are marked by a lack of central heating, the problem being worst in Gwynedd, Isle of Anglesey and Conwy.



Summary table of local authorities ranked by measurement against indicators ('worst'=1)

| Region | LA | <div> <div></div> 'Worst' 3 <div></div> Next 4 <div></div> Next 4 <div></div> 'Better' than average </div> | | | | | | | | | | | | | | | | | | | | | |
|---------|--------------------|--|-----------------|-------------------|-----------------|------------------|-----------------------|-------------------|------------------|---------------------|-------------------------------|-------------------|----------------------------------|--------------------------------|-----------------|---------------|---------|-------------|------------------------------|-----------|-------------|---------------------|-----------------|
| | | Child poverty | Low birthweight | Dental ill-health | Underage births | Childcare places | Achieving Key Stage 2 | Achieving 5+GCSEs | Higher education | Working-age poverty | Working-age on state benefits | Wanting paid work | Adult participation in education | Limiting long-standing illness | Premature death | Car ownership | Low pay | Tax Credits | Pensioners on state benefits | Home care | GPs: number | GPs: single handers | Central heating |
| NE | Flintshire | 21 | 17 | 22 | 14 | 19 | 12 | 20 | 8 | 21 | 20 | 22 | 14 | 19 | 16 | 20 | 9 | 19 | 17 | 8 | 1 | 3 | 10 |
| NE | Wrexham | 17 | 19 | 5 | 12 | 20 | 6 | 5 | 7 | 17 | 16 | 21 | 4 | 15 | 13 | 12 | 6 | 13 | 8 | 1 | 8 | 8 | 6 |
| East | Monmouthshire | 22 | 20 | 20 | 22 | 12 | 21 | 17 | 22 | 22 | 22 | 14 | 20 | 22 | 20 | 22 | 20 | 22 | 22 | 18 | 17 | 11 | 16 |
| East | Powys | 19 | 18 | 19 | 20 | 9 | 19 | 18 | 20 | 19 | 21 | 19 | 18 | 18 | 19 | 21 | 5 | 3 | 20 | 7 | 20 | 20 | 8 |
| Valleys | Blaenau Gwent | 2 | 2 | 2 | 1 | 1 | 1 | 4 | 1 | 2 | 2 | 3 | 1 | 2 | 1 | 2 | 4 | 6 | 1 | 16 | 8 | 1 | 22 |
| Valleys | Caerphilly | 6 | 5 | 3 | 4 | 5 | 3 | 8 | 3 | 4 | 4 | 8 | 2 | 5 | 7 | 8 | 12 | 7 | 5 | 10 | 4 | 4 | 21 |
| Valleys | Merthyr Tydfil | 1 | 1 | 1 | 2 | 3 | 2 | 1 | 2 | 1 | 1 | 4 | 6 | 1 | 2 | 1 | 17 | 5 | 3 | 22 | 3 | 2 | 14 |
| Valleys | Neath Port Talbot | 3 | 9 | 7 | 7 | 2 | 5 | 14 | 6 | 3 | 3 | 1 | 10 | 3 | 5 | 6 | 14 | 15 | 10 | 19 | 6 | 6 | 17 |
| Valleys | Rhondda Cynon Taff | 4 | 3 | 4 | 5 | 4 | 9 | 6 | 5 | 5 | 5 | 2 | 5 | 4 | 3 | 5 | 16 | 11 | 2 | 15 | 2 | 5 | 12 |
| Valleys | Torfaen | 12 | 7 | 9 | 13 | 8 | 4 | 9 | 4 | 11 | 7 | 7 | 7 | 7 | 9 | 9 | 22 | 14 | 7 | 5 | 16 | 19 | 20 |
| Cardiff | Cardiff | 8 | 6 | 14 | 8 | 14 | 11 | 2 | 12 | 15 | 15 | 5 | 3 | 21 | 12 | 4 | 19 | 21 | 4 | 6 | 17 | 12 | 11 |
| South | Bridgend | 7 | 11 | 18 | 3 | 13 | 15 | 10 | 10 | 9 | 6 | 9 | 8 | 8 | 17 | 10 | 11 | 17 | 9 | 17 | 8 | 18 | 15 |
| South | Newport | 14 | 4 | 8 | 9 | 6 | 10 | 12 | 9 | 8 | 9 | 12 | 11 | 14 | 6 | 3 | 15 | 16 | 11 | 11 | 12 | 10 | 19 |
| South | Swansea | 5 | 10 | 11 | 6 | 7 | 18 | 3 | 13 | 6 | 8 | 6 | 17 | 9 | 10 | 7 | 13 | 18 | 6 | 21 | 19 | 16 | 18 |
| South | Vale of Glamorgan | 20 | 14 | 21 | 18 | 17 | 22 | 22 | 19 | 18 | 17 | 10 | 8 | 20 | 21 | 17 | 21 | 20 | 21 | 4 | 8 | 20 | 13 |
| West | Carmarthenshire | 11 | 15 | 6 | 15 | 10 | 13 | 16 | 16 | 12 | 10 | 15 | 21 | 6 | 14 | 18 | 6 | 8 | 12 | 9 | 7 | 15 | 9 |
| West | Ceredigion | 16 | 22 | 15 | 21 | 15 | 17 | 13 | 21 | 20 | 19 | 11 | 11 | 16 | 22 | 19 | 2 | 10 | 19 | 13 | 22 | 17 | 4 |
| West | Pembrokeshire | 9 | 12 | 17 | 17 | 11 | 14 | 15 | 18 | 7 | 12 | 13 | 16 | 11 | 11 | 15 | 1 | 1 | 16 | 14 | 12 | 13 | 5 |
| NW | Conwy | 10 | 8 | 13 | 10 | 21 | 6 | 11 | 15 | 13 | 13 | 17 | 22 | 13 | 4 | 13 | 10 | 2 | 14 | 3 | 14 | 14 | 3 |
| NW | Denbighshire | 15 | 16 | 16 | 11 | 22 | 8 | 7 | 11 | 14 | 14 | 18 | 18 | 12 | 8 | 14 | 8 | 9 | 18 | 12 | 4 | 7 | 7 |
| NW | Gwynedd | 18 | 21 | 12 | 16 | 16 | 15 | 21 | 17 | 16 | 18 | 20 | 15 | 17 | 18 | 11 | 3 | 4 | 13 | 2 | 21 | 8 | 1 |
| NW | Isle of Anglesey | 13 | 13 | 10 | 19 | 18 | 20 | 19 | 13 | 10 | 11 | 16 | 13 | 10 | 15 | 16 | 18 | 12 | 15 | 20 | 14 | 20 | 2 |

What the indicators show

Children and young adults: poverty and educational outcomes

With substantial falls in recent years, the proportion of children in Wales living in low-income households is now the same as for Great Britain as a whole whereas, a decade ago, the child poverty rate in Wales was well above average. Even so, one in every four children in Wales still lives in a low-income household, a higher proportion than for either pensioners or working-age adults (see Figure 1).

Sizeable numbers of the children living in low-income households are to be found in every part of Wales. Roughly a third of them live in the Valleys, a third in Cardiff and the rest of the south, and a third elsewhere.

Rather more than half these children are in lone-parent families. Four-fifths of lone parents in poverty are not in paid work. By contrast, two-thirds of two-parent families in poverty do have someone in paid work.

Turning to education, although all schools have recorded an improvement since the mid-1990s in the number of children failing to reach particular grades, there remains a considerable gap between them depending on how many low-income pupils they have. For example, among schools with the fewest pupils entitled to free school meals, just 6 per cent of 16-year-olds in 2004 failed to achieve at least five GCSEs. By contrast, 27 per cent of 16-year-olds failed to reach that level in schools with a high proportion of free school meals.

At age 11, although improvement in English seems to have stalled in 2002, improvements in Maths and Welsh continue up to the present. At age 16, by contrast, the bulk of the improvement in school performance since the mid-1990s took place before 2000, since when there has been little further progress. So, for example, the 15 per cent of pupils getting fewer than five GCSEs at age 16 in 2003/04 was the same as the proportion four years earlier. On this measure, moreover, Wales does worse than any of the English regions, due to the 7½ per cent of 16-year-olds in Wales who gain no GCSEs at all.

The proportion of 16-year-olds failing to reach the higher standard of five 'good' GCSEs (that is, at grade C or above), has continued to come down, albeit more slowly in recent years compared with the later 1990s, to just under half of all 16-year-olds in 2003/04.

The importance of this standard can be seen in the fact that, whereas very few 17-year-olds with five 'good' GCSEs leave their education there, very few of those 17-year-olds who fall short of that standard (including its vocational equivalent) have acquired any more qualifications by age 24 (see Figure 2).

In its turn, failure to acquire adequate qualifications greatly increases the likelihood of future poverty during adulthood. For example, those aged 25 to 50 with no qualifications face a 25 per cent chance of economic inactivity, an 8 per cent chance of unemployment and a 60 per cent chance of low pay (below £6.50 an hour). All of these are risk factors for poverty.

Workless, working-age adults: poverty and barriers to work

More than 60 per cent of the people in low-income, working-age households have nobody in their household who is working. This makes 'worklessness' the single most important reason for poverty, affecting some 200,000 working-age adults in the latest year.

Since the mid-1990s, the total number of people in Wales who are unemployed has almost halved, to around 60,000. As a result, unemployment is no longer a major cause of poverty, now accounting for just one in eight of the working-age households in poverty, down from one in four in the mid-1990s.

In addition to those who are unemployed, there are also some 95,000 people who are counted as economically inactive but who want to work. This number has also come down over time but more slowly. It is a greater problem than unemployment for every age group from 25 onwards, especially for women and for older people of working age.

Across Wales, the number of people economically inactive but wanting work is usually higher where unemployment

is higher, and vice versa. Taken together, the proportion of people 'wanting work' is highest in Neath Port Talbot, Rhondda Cynon Taff, Blaenau Gwent and Merthyr Tydfil. In each of these areas, at least one in eight of all working-age people lack but want work.

The Valleys also stand out for the high proportion of people describing themselves as suffering from a limiting long-term illness. Five of the six local authority areas with the highest rates of limiting long-term illness anywhere in England or Wales are in the Valleys. Large parts of the West – Carmarthenshire, Ceredigion, Gwynedd and Isle of Anglesey – also have many localities with above average levels of limiting long-term illness (see Map 1).

Sickness or disability are overwhelmingly the most important reasons why working-age people receive social security benefits in Wales over a long period. This is not confined to older working-age people. Local authority areas with the highest rates of limiting long-term illness among those over 50 are also the ones with the highest rates among younger age groups.

Poor health and/or disability are cited by half of men and a quarter of women wanting work as the principal thing that prevents them from working. A quarter of men also cite the lack of a suitable job while women cite a wider range of reasons including, notably, caring responsibilities for both children and adults.

Since a high proportion of people throughout Wales who have access to a car use it to go to work, a lack of a car will also be a barrier to work. Car ownership is lower in some of the Valleys, especially Blaenau Gwent and Merthyr Tydfil. The working-age households most likely to lack cars are single adult ones, both with and without dependent children – precisely the types of household who make up the great bulk of those households who are workless.

Working-age adults in work: poverty and poor jobs

40 per cent of the people in low-income, working-age households have someone in their household who is doing paid work, up sharply from 30 per cent in the mid-1990s. As a result, there are some 150,000 working-age adults suffering from what could be called 'in-work poverty'.

Particularly at risk are those households classified as 'some working', that is, either where employment is part-time only or where (in a two-adult household) one person is not working at all. More than a fifth of the people in these households have low incomes. Even among those where all the adults are working, there is still a small risk of being in low income. So, while work greatly reduces the risk of poverty, it does not eliminate it.

Among those aged over 21, two factors increase the likelihood that someone will be low-paid. The first is gender: 25 per cent of full-time female workers are paid less than £6.50 an hour compared with 15 per cent of full-time male workers.

The second is that the job is part-time. 60 per cent of part-time workers are paid less than £6.50 an hour with 25 per cent earning less than £5 an hour. Although there is no evidence of gender pay inequality within part-time work, most part-time workers are women. Part-time workers account for half of all those

who are low-paid. Taking full- and part-timers together, two-thirds of low-paid workers are women.

More than half the people employed in both the hotel/restaurant sector and the retail/wholesale sector are low-paid. The retail/wholesale sector also accounts for the largest share of low-paid workers – some 30 per cent of the total. The public sector (public administration, education and health) is second, with 20 per cent. This figure includes only those employed directly by the public sector not those providing contract services like cleaning (see Figure 3).

Map 1: Location of long-term illness

Although most concentrated in the Valleys, neighbourhoods with a high proportion of working-age people reporting a limiting long-term illness are found across Wales.

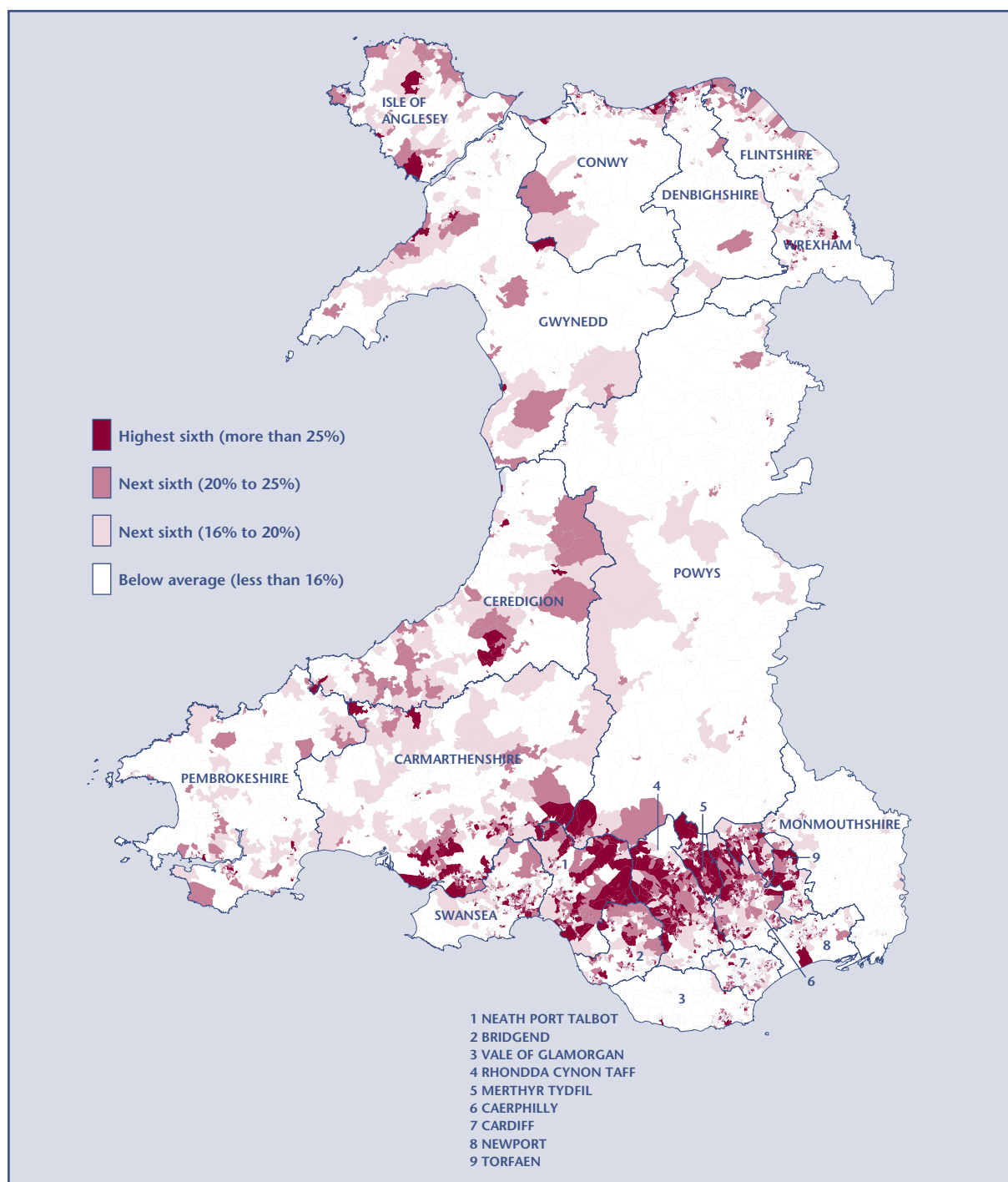


Figure 1: While the proportion of pensioners and children living in low income households is lower than a decade ago, the proportion for working-age adults without dependent children is higher

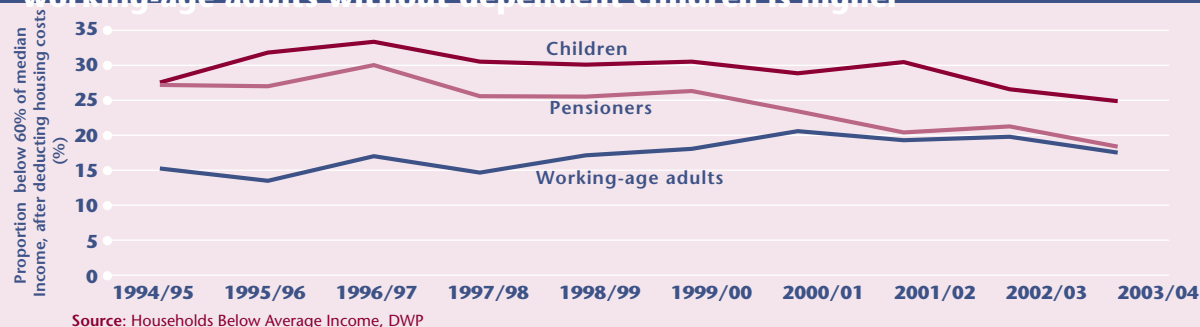


Figure 2: Very few 17-year-olds without either five good GCSEs or NVQ2 at age 17 have acquired further qualifications by the age of 24.

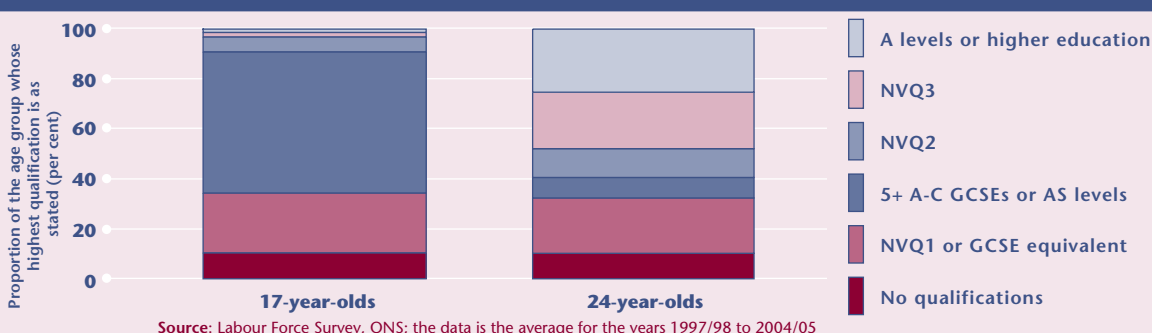


Figure 3: Two-fifths of all low-paid workers work in the retail, hotel and restaurant sectors. A further fifth work in the public sector.

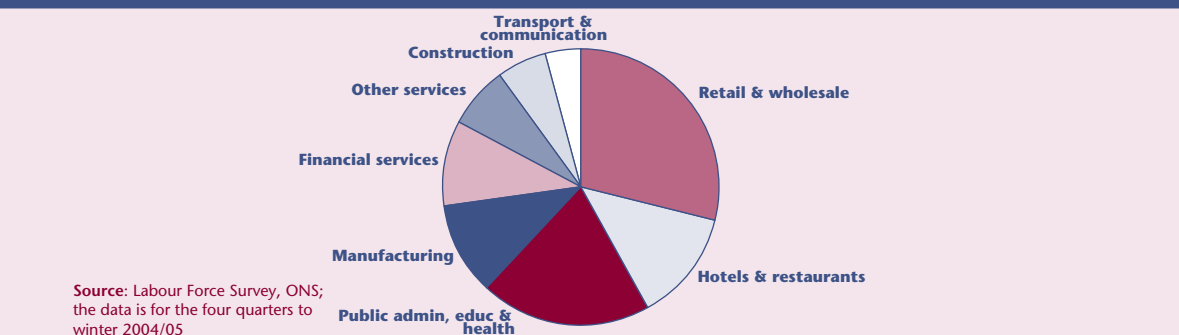
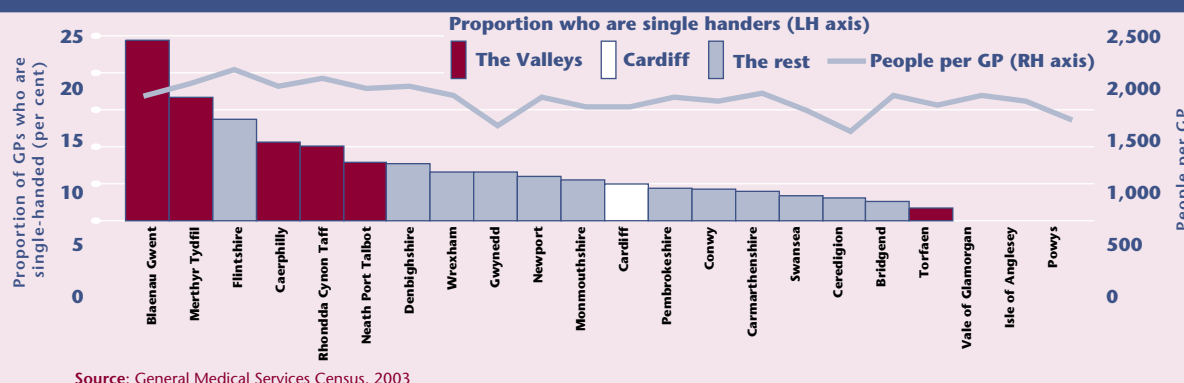


Figure 4: A high proportion of GP practices in the Valleys and Flintshire are single-handed.



Low pay goes along with other problems. Half of unskilled or partly-skilled working-age adults have undertaken no further learning since leaving formal education, compared with just one in five of those with a managerial or professional background. Similarly, the lower a person's level of qualification, the lower their chance of receiving job-related training. Low-paid workers are also much less likely than the average to belong to a trade union.

Nearly half of the men and a third of the women making a new claim for Jobseeker's Allowance (that is, beginning a new spell of unemployment) were last claiming this benefit less than six months ago. This effectively means that many of the jobs that unemployed people go into last less than six months. These proportions have changed little in a decade. They show that, rather than being the route out of poverty, for some people at the bottom of the labour market work is, at best, a temporary respite from it.

Pensioners: poverty and access to services

The proportion of pensioners in low-income households has come down from around 25 per cent in the mid-1990s to around 20 per cent now, a rate comparable to that for working-age adults. Most of the fall has been among single pensioners, for whom the risk of poverty is now no different from the risk faced by pensioner couples.

Besides money, pensioners face particular problems to do with access and isolation. A third of all pensioners in Wales live alone. Because women generally live longer than men, three-quarters of all those aged 65 and over who live alone are women; half of all women aged 75 and over live alone.

As there are no statutory services that focus on social exclusion among older people, local authorities have a choice about how much resource and attention they devote to it. In part, because of the need to devote ever-increasing resources to the personal care needs of the growing numbers of frail, older people, the home care service now rarely includes either cleaning or shopping. As a result, the proportion of older people in receipt of home care from their local authority has almost halved over the past decade.

Older people are major users of the health service, and its availability and quality are particularly important to them. The number of patients per doctor varies by a large degree across Wales, from around 2,000 in Flintshire and Rhondda Cynon Taff to 1,200 in Powys and Ceredigion. A second measure that relates more directly to the quality of GP services provided is the proportion of doctors who are working alone in single-handed practices. This proportion is highest in the Valleys and Flintshire, with Blaenau Gwent and Merthyr Tydfil standing out (see Figure 4).

Pensioners are more dependent on public transport than any other group, with two-thirds of single pensioners not owning a car. Yet only a bare majority of households without a car judge buses to be adequate for reaching the local town centre or shops. For some basic transport needs, especially getting to the local hospital and travel on Sundays, this proportion falls to a third or lower.

About the project

The study drew together data from a wide range of sources, including government-funded surveys, some administrative data and some local and health authority returns.

For further information

The full report, **Monitoring poverty and social exclusion in Wales 2005** by Peter Kenway, Naomi Parsons, Jane Carr and Guy Palmer, is published by the Joseph Rowntree Foundation (ISBN 1 85935 395 9, price £16.95). You can also download this report free from www.jrf.org.uk (ISBN 1 85935 396 7). The report is also available in Welsh (print: ISBN 1 85935 406 8, pdf: ISBN 1 85935 407 6).

All the indicators and graphs discussed in these *Findings* and in the main report can be viewed at www.poverty.org.uk. These are updated as and when new data become available.

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