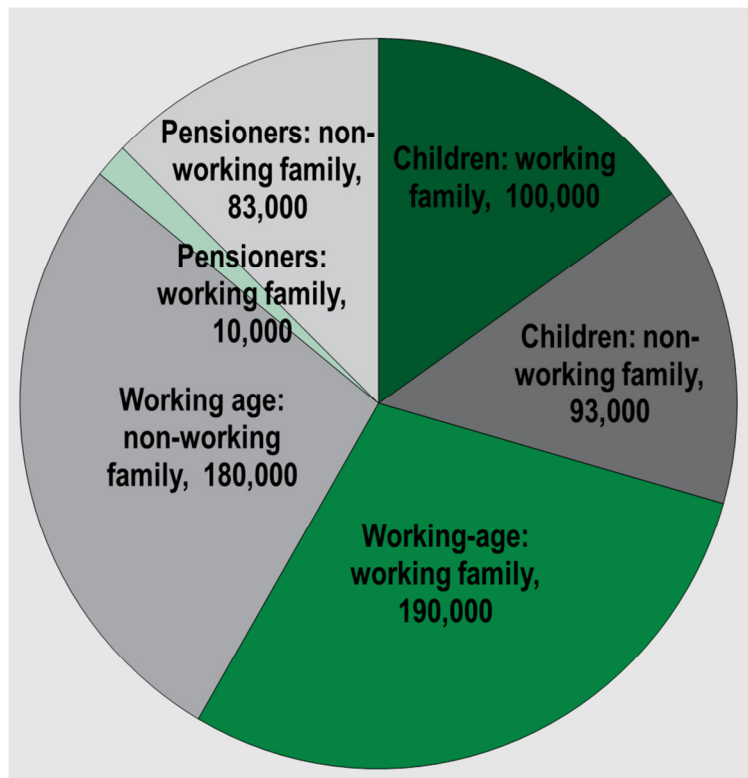


## MONITORING POVERTY WALES: IN-WORK POVERTY

NPI's 2013 *Monitoring Poverty and Social Exclusion in Wales* report has been asked to focus on two subjects: 'in-work poverty' and 'working-age people furthest from the labour market'. This note provides background information on the first of these.

Over the three years to 2010/11, an average of some 650,000 people in Wales had incomes low enough (below 60% of median income, after housing costs) to be counted as poverty. The graph breaks this total down between children, working-age and pensioners; and according to whether or not the family is working.

The green areas represent people in these working families whilst the grey areas those in the non-working ones. A majority of both children and working age in low income are in working families: around 190,000 and 100,000 respectively, compared with 180,000 and 93,000 in non-working ones. Including pensioners, some 300,000 people in Wales are in low income working families, around 45% of the total. Across the UK as a whole, this figure is 49%.



Ten years earlier, only 38% of people in low income in Wales belonged to working families. Over this period, the number of 'in-work poor' has risen (from 270,000 to 300,000) even as the overall number in poverty has fallen by 60,000. These trends are in line with those for the UK as a whole.

Obviously enough, the amount of paid work being done by the family makes a lot of difference. Among 'full working' families (all adults working, at least one full-time) only 7% of people are in low income. This compares with 24% for people in 'self-employed' families (one person at least is self-employed) and 31% for 'part working' families (either part-time work only, or one full time earner and one not working at all).

In-work poverty has been on a rising trend since the mid-1990s. It has important implications for policy: moving people into work (to the extent it is possible in a tough labour market) is not necessarily sufficient for alleviating poverty. As well as the amount of work done, the rate of pay matters too. Even so, there are plenty of low paid people who are not in low income families.

Coping with the time pressure and costs of working, the 'in-work' poor are like the non-poor – but with less money and less flexibility as a result. So these are the people for whom the availability, affordability and suitability of services, from childcare, schools and the NHS to transport and shops, are most critical. If so, is it not against their needs that these services should be judged?

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