

# Briefing: Local Citizens Advice Income Profile - Wales



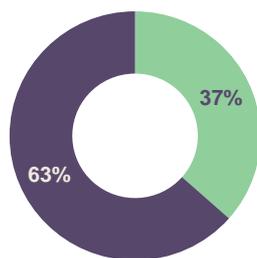
## Measuring low income

This analysis of client poverty is based on the methodology used in the Households Below Average Income (HBAI) series.<sup>i</sup> The HBAI income threshold is a widely-used measure of poverty in the UK.

Individuals are defined as living on a low income if their net household income is below 60% of the median income of the UK population. Incomes are 'equivalised' meaning that the cash value of this threshold depends on the number of adults and children in the household. For example, the low income threshold for a couple with no children is £272 per week, or £14,144 per year, before housing costs; the equivalent low income threshold for a couple with two dependent children is £404 per week, or £19,802 per year.

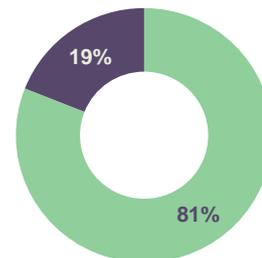
## Seven in every ten of our clients live in poverty

Local Citizens Advice  
Wales



■ Above poverty line  
■ Below poverty line

Welsh population<sup>ii</sup>



■ Above poverty line  
■ Below poverty line

- Our clients are almost **three times more likely** to live on a low income than an average member of the Welsh population.
- We reach almost **one in every seven** (14 per cent) of the 600,000 individuals living on a low income in Wales.<sup>iii</sup>

## Eight in every ten of our clients do not reach the minimum income standard\*

The Joseph Rowntree Foundation's Minimum Income Standard (MIS) establishes the household income required for individuals to maintain an 'adequate' standard of living.<sup>iv</sup> The proportion of households reaching this standard is used as an indicator of health inequalities for local authorities.

- An estimated 79 per cent of our clients do not reach the 2013 minimum income standard considered adequate for their household.<sup>v</sup>
- These clients are likely to lack the income required to eat healthily, maintain adequate accommodation and participate in society.

\* This figure is based on data from clients across England and Wales.

# Technical notes

## Data sources

### Survey data

This analysis is based on survey data from the Citizens Advice national outcomes and impact research (2013/14).<sup>vi</sup> In total, 52 Wales clients provided details of their household type and net weekly household income. The margin of error associated with statistics based on this sample is +/- 4%, however caution is required as the sample was skewed on some demographic variables and may have been affected by nonresponse bias.

### Management information

Management information recorded on PETRA was used to validate the analysis of survey data. The extract used included 14,000 Wales client records containing the required data on household type and net monthly household income. Monthly income data was adjusted to a weekly figure.

## Analysis process

### Comparison to HBAI benchmarks

This analysis was based on the measure of relative low income before housing costs (BHC). The analysis process followed guidance on 'equivalising' low income thresholds based on household type.<sup>vii</sup> This table summarises median and low income thresholds for selected family types using the relevant HBAI publication (2013/14).<sup>viii</sup>

Household type	Median income	Low income threshold
Couple	£453	£272
Single	£304	£182
Couple with two children	£693	£416
Single with two children	£544	£326

The estimated proportion of clients falling below the low income threshold was 63% based on survey data and 67% based on management information. The survey figure is prioritised here as the data collection was more controlled.

<sup>i</sup> <https://www.gov.uk/government/collections/households-below-average-income-hbai-2>

<sup>ii</sup> Table 3.17ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom 1.2. <https://www.gov.uk/government/statistics/households-below-average-income-19941995-to-20132014>

<sup>iii</sup> Table 3.18ts: Number of individuals living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom 1.2. <https://www.gov.uk/government/statistics/households-below-average-income-19941995-to-20132014>

<sup>iv</sup> <http://www.jrf.org.uk/topic/mis>

<sup>v</sup> Comparison against the JRF minimum income standard includes both English and Welsh clients

<sup>vi</sup> [http://www.citizensadvice.org.uk/national\\_outcomes\\_and\\_impact\\_research\\_report\\_2014.pdf](http://www.citizensadvice.org.uk/national_outcomes_and_impact_research_report_2014.pdf)

<sup>vii</sup> <https://www.gov.uk/government/publications/how-low-income-is-measured>

<sup>viii</sup> <https://www.gov.uk/government/statistics/households-below-average-income-19941995-to-20132014> See: Table 2.2db: Statistics relating to the overall equivalised net disposable income distribution and their equivalent money values for different family types, in 2013/14 prices, United Kingdom