

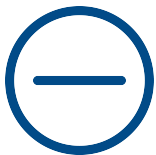


Wales: Cost of living briefing

July 2022

NEW COST OF LIVING STATS RELEASED: New research (July 2022) shows:

17% people in Wales worry they **won't keep up with their energy bills** over the next 3 months.



8% of people in Wales or more than **100,000 households** are already **living on a negative budget**.

33% of people in Wales anticipate needing to **cut down or stop spending on broadband** in the next 6 months



Since March we've helped more than **2000 people** in Wales access **fuel vouchers** and **7700 people** with **food bank referrals**.

Energy shock for thousands as price cap predicted to jump again

With new forecasts from industry analyst Cornwall Insight predicting a **price cap of £3,244 from October** (£106 a month more than the current price cap), we know that households are yet to face the sharpest end of this crisis.¹ Our new polling shows that households are vulnerable to further increases this year and are already struggling to keep up with rising costs.² Whilst support from both the Welsh and UK government is welcome, new figures suggest that many households are still likely to struggle to meet their basic needs in the months ahead.

Despite support available, we are hearing from clients who are already unable to cover their costs and are worried about the year ahead. For people struggling now, we are concerned that people who may build up debts or need to use emergency support such as food banks and fuel vouchers at this point in the year, may be particularly vulnerable to further cost increases in the months ahead.

If you have questions or would like more information on the content of this briefing, please contact: policy.cymru@citizensadvice.org.uk

Key issues for policy makers

1. Some people in Wales are already facing costs that exceed their income or have little flexibility in their budget

- Our recent polling estimates that **8% of people in Wales** or more than 100,000 households are already **living on a negative budget**.³
- Another **11% of people in Wales** (nearly 149,000 households) **have £100 or less** after costs.
- In March, before the most recent energy price cap increase — the % of **Citizens Advice debt clients** who were **living on a negative budget reached 46%**. Up from 36% in early 2019.

2. Households are already falling behind on bill payments or worry they will soon

- Despite support, our recent polling shows that **28% of people in Wales are currently behind on a bill or payment** and are most likely to be behind on council tax, water or energy bills. For people already struggling to keep up with bills, the financial support provided by the government may simply be absorbed by their arrears rather than help them to meet their basic needs in the months ahead.
- We also know that people are worried about whether they can afford essential bill payments in the coming months. In June, **17% said they were not confident** they would be able to **keep up with their energy bills** over the next 3 months, **13% said this for their rent**, and **12%** for both **council tax** and **food costs**.

3. Many people in Wales are already cutting back

- Recent polling estimated that **41% of people** in Wales have already **cut back/stopped spending on energy** and **51%** have **cut back/stopped spending on food/household goods** over the last 6 months.
- Looking ahead, more anticipate they will need to cutback over the next 6 months, both on essential bills, such as **energy** (53%) and **food/ household goods** (56%), and on other costs such as **broadband** (33%) and **mobile phone contracts** (34%).

¹ Cornwall Insight, [Default tariff cap forecast](#), Published July 2022

² To look at the impact of the cost of living rises we commissioned ICM Unlimited to run a survey of 6000 adults in the UK with a weighted sample of 517 adults in Wales, Fieldwork was undertaken between 27 May - 17 June 2022.

³ Negative budget: with £0 or less for food and other costs after paying for housing and other recurring bills