



The Cost of Hunger and Hardship: Headline findings for Wales



1. Introduction

A robust, mixed methods research project

1.

Economic analysis to understand the costs of facing hunger and hardship, a measure of severe hardship

2.

Qualitative and participatory research with people facing hunger and hardship to understand the causal links between lived experience and costs

3.

Modelling both the impact of policies on the scale of hunger and hardship and the wider cost benefit of implementation

The different types of costs covered

Economy costs

The impact of hunger and hardship on employment and productivity

Fiscal costs

The impact of hunger and hardship on social security spending and tax revenue

Public service costs

The impact of hunger and hardship on likelihood to use public services in areas such as health, housing and education

The measure

People face hunger and hardship if they are more than 25% below the Social Metrics Commission's poverty line.

This captures both people who are likely to need to turn to a food bank now, and people who are at high risk of needing food bank support in the future.

2. Headline findings

£3.6

billion

The amount public finances and the economy could benefit each year if people were protected from hunger and hardship in Wales

420,000

The number of people facing hunger and hardship in Wales

This includes 300,000 adults and 110,00 children

These costs are likely to be an underestimate



We have not been able to identify and cost every area which is likely to be affected by facing hunger and hardship.

With finite capacity, we prioritised impact analysis with the strongest evidentiary base, data availability, and the areas assumed to have the largest impacts.

As a result, the figures are likely an underestimate of the true cost of hunger and hardship.



We have taken a cautious approach to modelling.

The impacts of facing hunger and hardship often interact and reinforce each other.

We have been careful to identify and account for these areas of potential double counting.

For example, we assume that additional health impacts of poor quality housing are contained within our overall costing of health impacts.

Cost of hunger and hardship - 2022/23

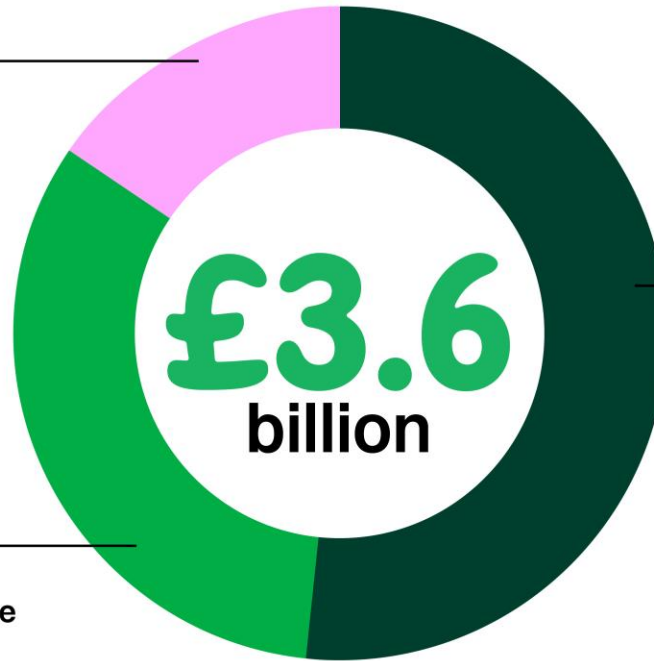
£560 million

Public service costs



£1.2 billion

Fiscal costs



£1.9 billion

Economy costs



“

I would love to be just comfortable so if my kids had a hole in their shoes like happens, I could buy them a pair of shoes and I haven't got to wait for a few weeks and try and eke it out and hope it doesn't rain so their feet don't get wet

”

Female, 50s, Wales, has children



Adults' wellbeing costs

£3.7 billion

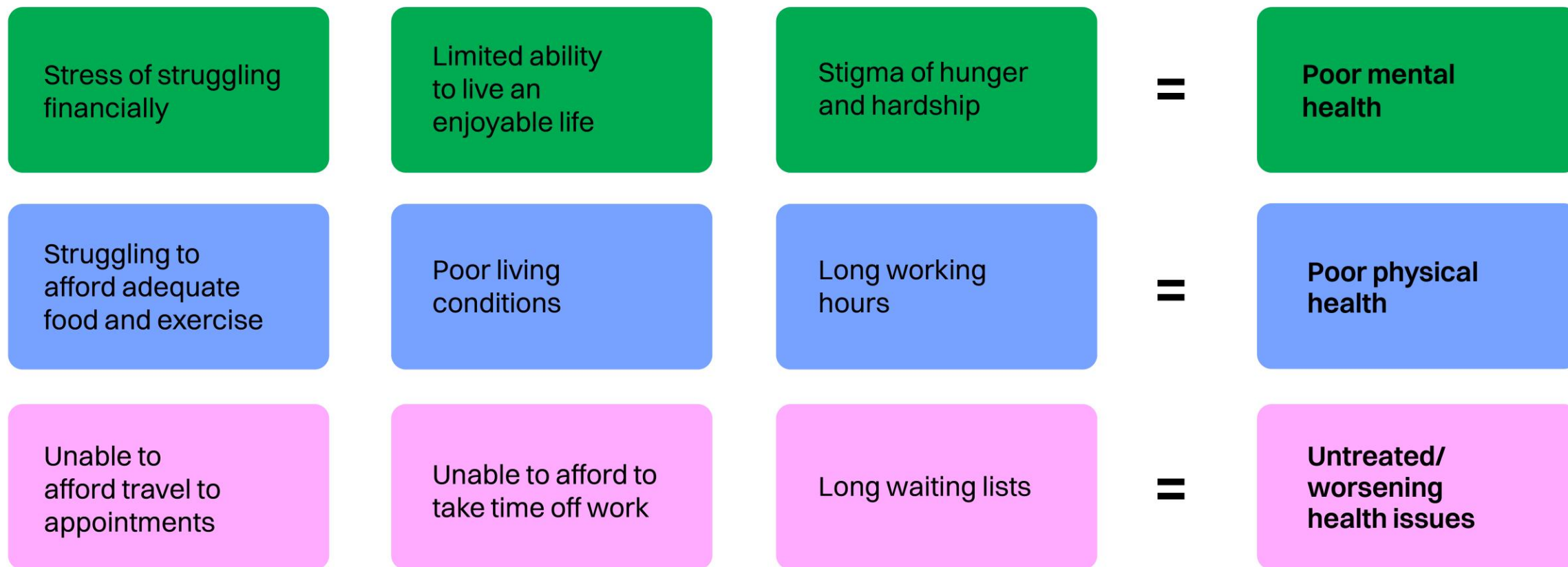
This figure is not included in the headline costs, to focus on the most immediate and direct impact of hunger and hardship. However, it is an important part of the picture. In fact, our current Prime Minister has previously stated it was key to "treat wellbeing equally to growth".

People who fall into hunger and hardship report lower levels of wellbeing than people who do not hunger and hardship. Our analysis shows their wellbeing is also damaged for the future.

On average, people who fall into hunger and hardship have a 4% lower life satisfaction score over a 10-year period, compared to people who do not.

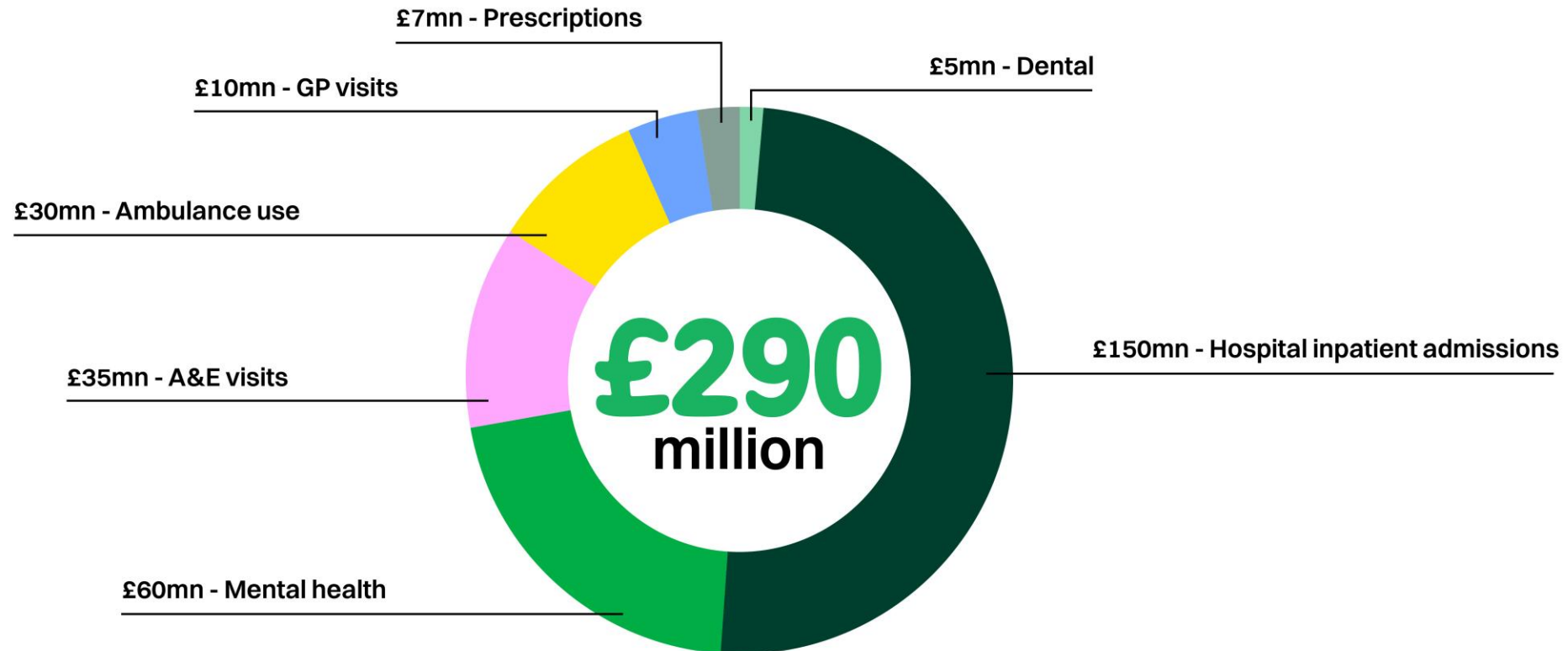
We use the approach recommended by HM Treasury's Green Book, to translate this subjective wellbeing costs to an equivalent financial cost.

3. How hunger and hardship affect mental and physical health



These pathways are by no means exhaustive, but illustrate some of the most significant costs associated with facing hunger and hardship.

Costs relating to health services



“

There's so many days I've had to just go without eating because of something stupid, like having like my electric on or something

”

Male, 30s, Wales



4. How hunger and hardship affect education, care and skills

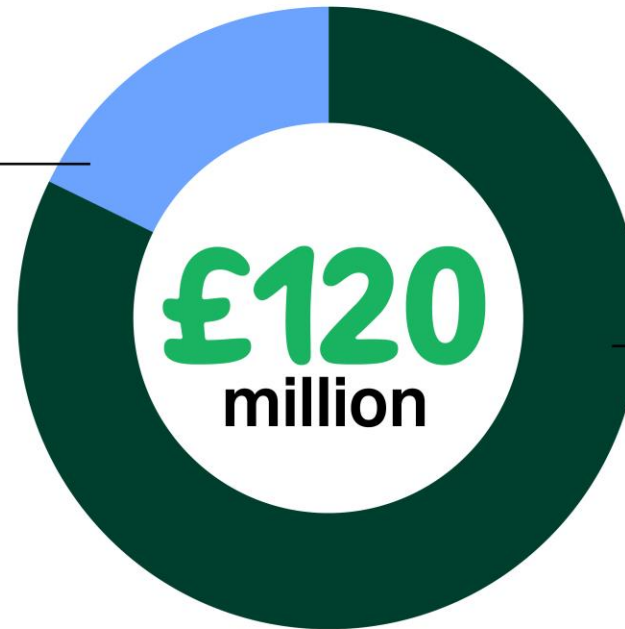
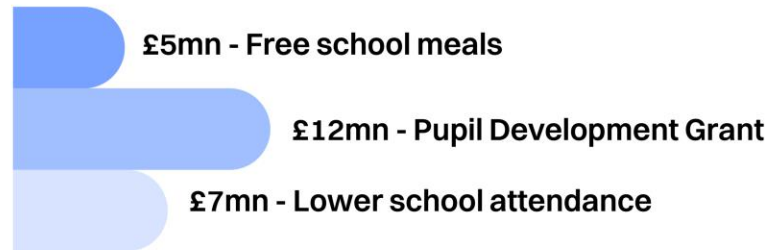


These pathways are by no means exhaustive, but illustrate some of the most significant costs associated with facing hunger and hardship.

Costs relating to education, care and skills

£20 million

Education



£100 million

Children's social care cost



“

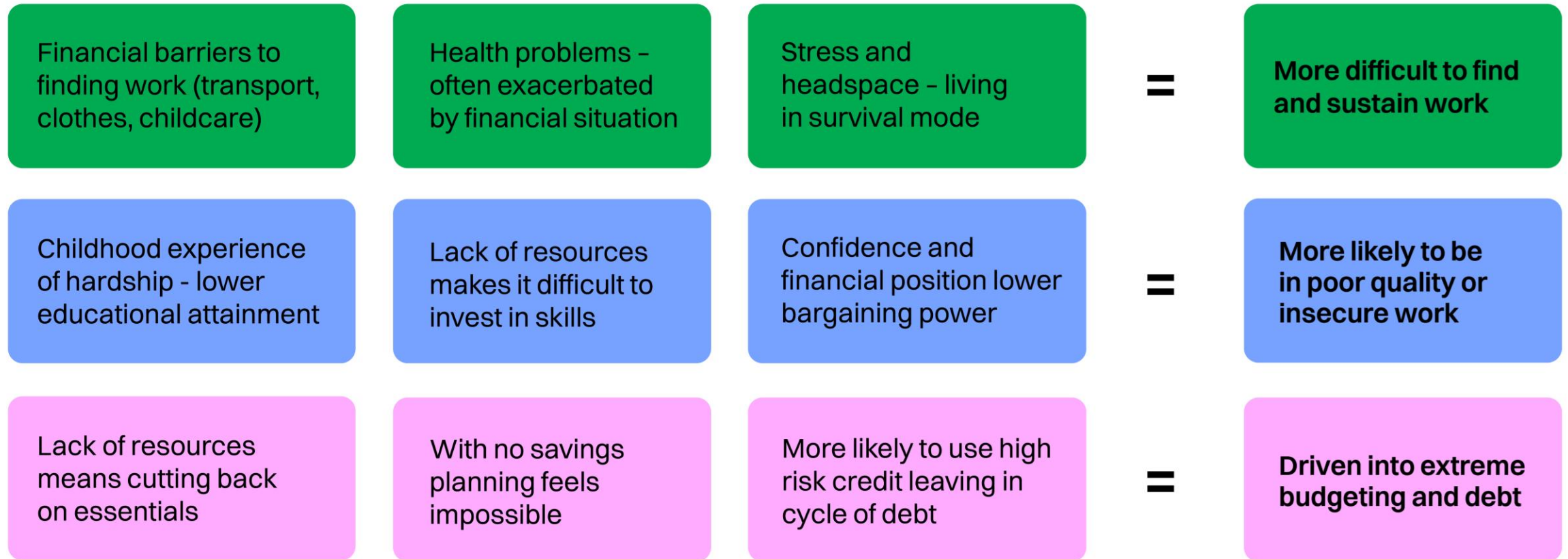
Maybe for my oldest child, I think she could probably do with a bit of extra help, like a tutor or something. She is quite behind...She hasn't been referred or diagnosed anything, but I think probably there's something neurodivergent there...I think if I'd had been financially, well, better off, I could have done.

”

Female, 30s, Wales, has children



5. How hunger and hardship affect employment, productivity, and finances

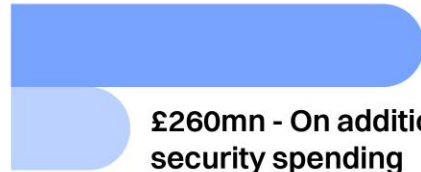


These pathways are by no means exhaustive, but illustrate some of the most significant costs associated with facing hunger and hardship.

Costs relating to work and finances

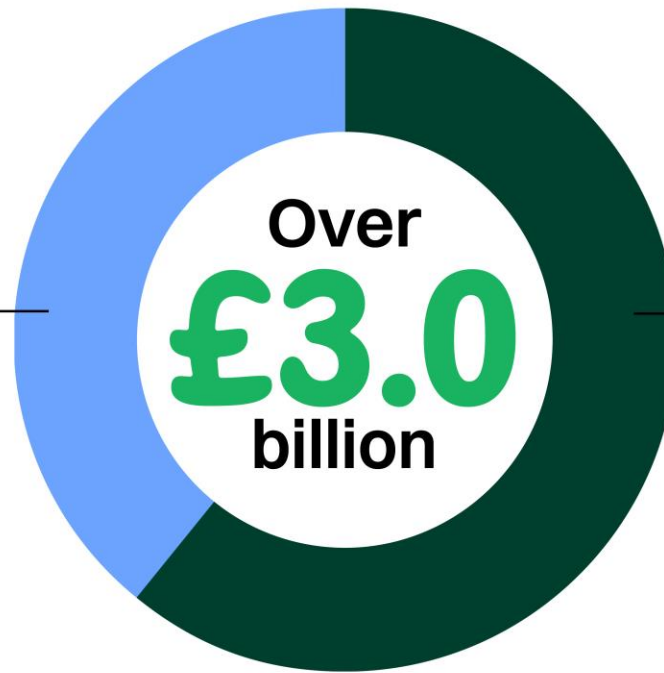
£1.2 billion

Fiscal costs



£910mn - Lower tax revenue

£260mn - On additional social security spending



Over
£3.0
billion

£1.9 billion

Economy costs



£1.3bn - Reduced employment

£560mn - Lower productivity

“

I can't progress in what I do and the job gets harder every year I've been there and more responsibility gets put on us without the pay going up.

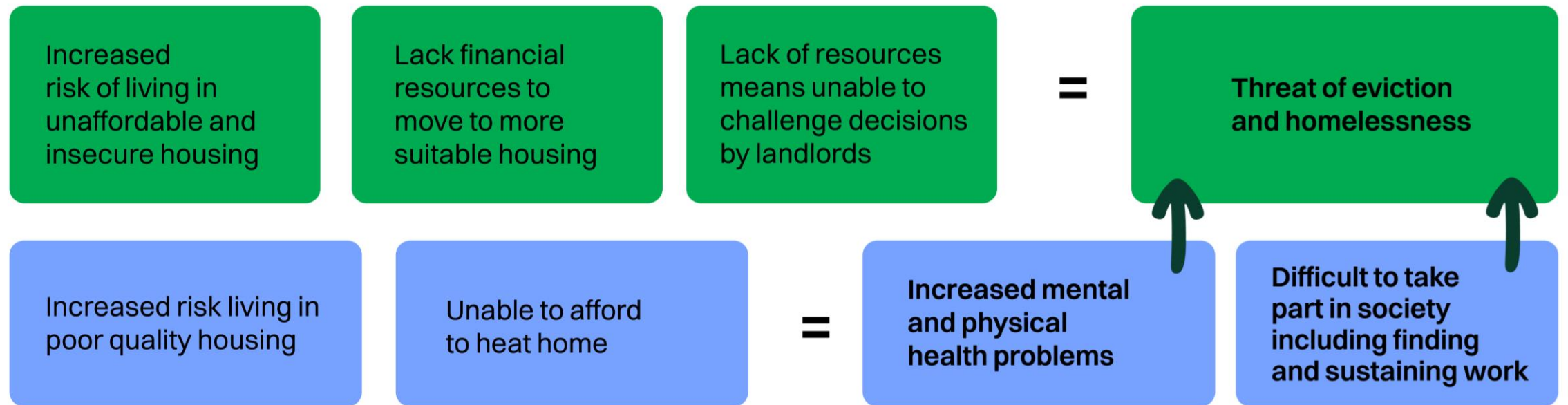
I'd love to go back to college and take a different route but not sure how finances would allow this. I'm unsure whether we struggle money wise if I were to go to college

”

Female, 30s, Wales, has children



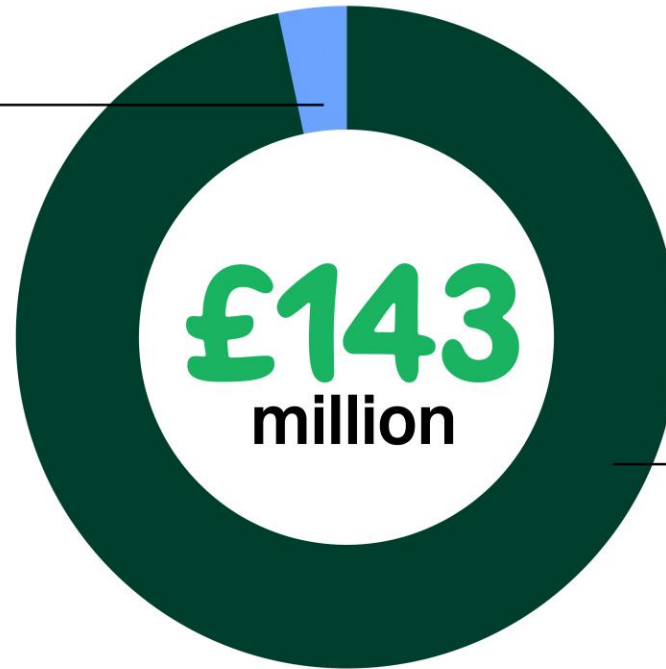
6. How hunger and hardship affect housing and homelessness



These pathways are by no means exhaustive, but illustrate some of the most significant costs associated with facing hunger and hardship.

Cost relating to housing and homelessness

£3 million
Rough sleeping



£140 million
Homelessness

“

Living in the caravan is the only viable option and even then I'm worried for **winter** as I need to buy a diesel heater. I'm hoping that I can get more hours with job 2 to help pay for this...but it's not stable and could at any moment be pulled from under my feet.

”

Male, 40s, Wales



7. How hunger and hardship affect communities and relationships



These pathways are by no means exhaustive, but illustrate some of the most significant costs associated with facing hunger and hardship.

Why we haven't separately costed the impact on communities and relationships

Unlike the previous areas, we have not produced separate costings of the impact of hunger and hardship on communities and relationships. We have assumed that many related costs are picked up within other areas explored, such as health, education, and work.

The main additional cost to consider would be any impact of facing hunger and hardship on an increased propensity to commit crime – driving additional policing and justice system costs, and costs to society.

A lack of consistent evidence and data meant we could not generate meaningful and robust estimate of the additional impact of facing hunger and hardship on rates of crime.

“

So in my relationship before, **it was a constant bone of contention for my partner.** The amount that I was trying to work ...I felt like I needed to work 45 hours a week, really, just in order to stay on top of all my repayment plans... ‘You work all the time, you work all the time. You're never here, you don't have time for me.’

”

Wales, 40s, Wales



8. What does this tell us about tackling hunger and hardship?

The impact of hunger and hardship affects us all

Hunger and hardship is clearly placing an immense strain on people, as well as our economy, public finances, and public services.

Hunger and hardship prevents progress on living standards

We must tackle hunger and hardship if we are to deliver better living standards for us all.

Costs of policies are significantly offset by benefits

New modelling shows targeted policies can tackle hunger and hardship, as well as deliver benefits that significantly offset the cost of the policy itself.

Social security policies are our most effective lever

In line with research over the years, social security policies have the biggest and most direct impact on hunger and hardship across the UK.

Policy levers and cost impacts

Assumes policies introduced in 2022/23, costs from year 5 outlined below (2026/27)

This table looks at the cost benefits of implementing these policies in **Wales**.

For the full UK breakdown of cost benefits, please see our UK summary report.



Want to know more?

More on hunger and hardship

More information on the metric and why we have developed and used it [here](#).

Full report and methodology

Available in our final report [here](#).

Contact us

If you have further questions, contact us at katie.till@trussell.org.uk

Thank you!



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