

Employment and mental health inequality

Wales



Acknowledgements

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Highlights

Wales ranks worst in the UK for workers’ mental health and financial wellbeing.

Poor mental health among Welsh workers has reached a record high, exceeding pandemic levels.

A quarter of Welsh workers are now experiencing poor mental health.

372,000 Welsh workers are experiencing poor mental health, double the number recorded in 2009.

Cost-of-living pressures leave one in nine workers in financial hardship and half dissatisfied with their income.



Poor mental health is climbing among Welsh workers

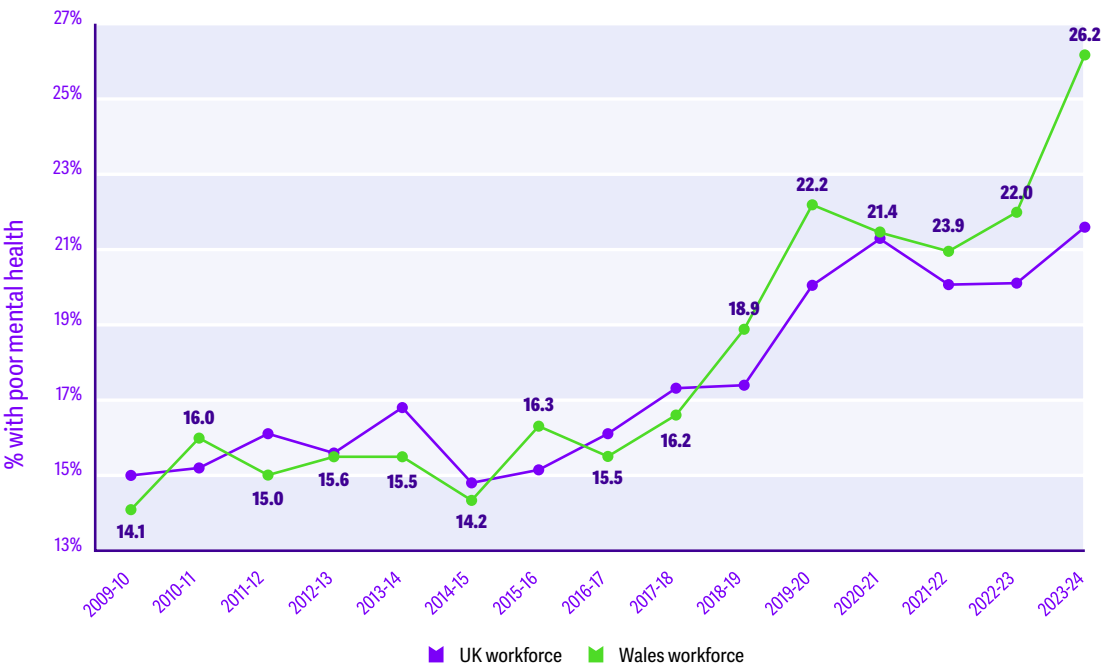


Figure 1. Wales workforce mental health 2009-2024.
Levels of poor mental health in the Wales workforce (all employed adults) compared to the whole UK workforce. Percentage estimates calculated from the *Understanding Society* dataset based on the GHQ-12 cutoff score of four or more.

Wales has long faced mental health challenges at the population level, as highlighted in *The Foundation Reports: The state of mental health inequality in the UK*.¹ Over the past 15 years, Wales consistently recorded poorer outcomes than the rest of the UK and has experienced a marked deterioration in recent years.

Within the workforce, however, the pattern has unfolded in a more nuanced way. As shown in Figure 1, Welsh workers tracked closely with the UK average between 2009/10 and 2020/21, with levels of poor mental health remaining in line with the national trend. During this period, poor mental health among Welsh workers worsened steadily, rising from 14.2% in 2014/15 to 22.2% by 2019/20, a reflection of the broader pressures affecting working people across the whole UK.

More recently, Welsh workforce mental health has shifted from steady decline to sharp deterioration. **Poor mental health has surged to a high of 26.2% in the most recent data – meaning more than one in four workers in Wales, or 372,000 people², were experiencing poor mental health.**

This marks the steepest deterioration in workforce mental health observed anywhere in the UK (Figure 2), representing nearly a doubling since 2009/10 (14.1%). Wales appears to be diverging from the rest of the UK, with the mental health gap widening from just 0.1 percentage points in 2020/21 to 4.6 percentage points in 2023/24. **This suggests not only that Welsh workforce mental health is worsening, but that it is doing so more rapidly than the rest of the UK** – a signal that deeper structural pressures may be emerging in the Welsh labour market.

Over the past 15 years, the number of workers with poor mental health in Wales has increased by 183,000 people. The consequences of this deepening mental health crisis extend throughout workplaces, families and communities.

Alongside this, Welsh workers are becoming increasingly unhappy in their day to day working lives. **In the most recent data, one in five workers (19.1%) – 273,000 people⁴ – felt persistently stressed or unhappy due to their job**, up from a low of 15.1% in 2014/15.

Financial wellbeing is likely a contributor. **The share of workers who say they are financially struggling has nearly doubled from 5.7% in 2020/21 to 10.6% in 2023/24**, marking a pronounced deterioration in financial security. **Nearly half of Welsh workers (48.9%) report being dissatisfied with their income, a striking rise from 36.2% just three years earlier.** This level of

income dissatisfaction is notably higher than the UK average of 42.7% and highlights a growing sense of financial strain across the Welsh workforce.

The Welsh workforce records worse outcomes than any other nation across all measures: mental health, job-related wellbeing, income dissatisfaction and in-work financial hardship.

These statistics paint a picture of a workforce under mounting pressure, marked not only by rising mental health difficulties but by escalating financial stress. The recent acceleration of poor mental health within the workforce suggests that employment-related stressors, cost-of-living pressures and work related dissatisfaction may now be amplifying longstanding mental health inequalities.



1. Lutz N, Berrington W, Lejac B, MacLeod C, Fitzroy V, Razzell C, Hough M, Barnswell I. *The Foundation Reports: The state of mental health inequality in the UK*. Mental Health Foundation. June, 2026. Accessed August 13, 2026. <https://reports.mentalhealth.org.uk/foundation-reports/report/>
2. Region/nation profile - Wales. Nomis. Office for National Statistics. Accessed August 19, 2026. <https://www.nomisweb.co.uk/reports/lmp/lor/contents.aspx> Based on 1,421,000 employed people in Wales in December 2023 – February 2024, corresponding to the midpoint of Understanding Society Wave 15 data collection.

3. Region/nation profile - Wales. Nomis. Office for National Statistics. Accessed August 19, 2026. <https://www.nomisweb.co.uk/reports/lmp/lor/contents.aspx> Based on 1,341,000 employed people in Wales in December 2009 – February 2010, corresponding to the midpoint of Understanding Society Wave 1 data collection.
4. Region/nation profile - Wales. Nomis. Office for National Statistics. Accessed August 19, 2026. <https://www.nomisweb.co.uk/reports/lmp/lor/contents.aspx> Based on 1,430,000 employed people in Wales in December 2022 – February 2023, corresponding to the midpoint of Understanding Society Wave 14 data collection.

	% Poor mental health	% Poor job-related wellbeing	% Income dissatisfaction	% Financially struggling
England workforce	21.5	17.1	43.2	10.5
Northern Ireland workforce	19.9	14.4	37.2	8.1
Scotland workforce	20.3	13.8	35.9	8.0
Wales workforce	26.2	19.1	48.9	10.6
Whole UK workforce	21.6	16.9	42.7	10.2

Table 1. National workforce wellbeing stats.
Comparison of wellbeing measures across employed adults in each UK nation. Percentage estimates calculated from the most recent *Understanding Society* data available: 2023/24 for general mental health, income dissatisfaction and financial situation, and 2022/23 for job-related wellbeing.

Workforce mental health trends diverge across the four nations

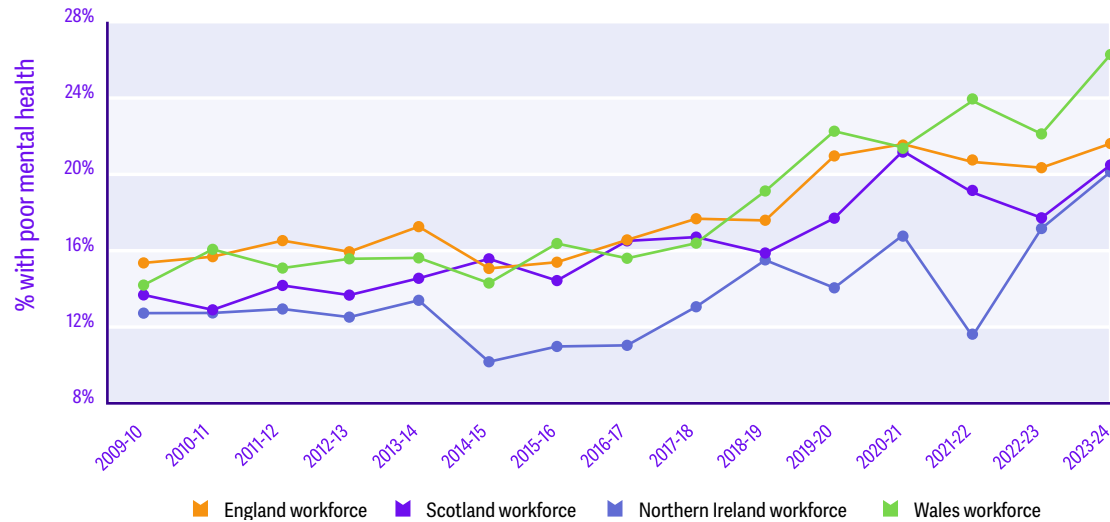


Figure 2. Workforce mental health in England, Northern Ireland, Scotland and Wales, 2009-2024.
Levels of poor mental health in the workforce (all employed adults) within each of the four UK nations over time. Percentage estimates calculated from the *Understanding Society* dataset based on the GHQ-12 cutoff score of four or more.

Labour market

Labour market trends provide important context for understanding workforce mental health in Wales. Employment has generally increased over the past decade, but Wales continues to have a lower employment rate than the UK overall (72.5% compared with 75.5% in the year ending December 2025).⁵ Economic inactivity also remains higher in Wales (24% compared with 20.9% across the UK).⁶

Significant inequalities also persist. Disabled people are far less likely to be in work than non-disabled people (50.3% compared with 81.4%)⁷, while unemployment among Black, Asian and Minority Ethnic people is more than three times higher than among White people (12.8% compared with 3.9%).⁸

Employment quality data also points to growing financial pressure. The proportion of people in secure employment earning at least the real *Living Wage* has fallen since 2012, with women continuing to be less likely than men to reach this threshold and remaining more likely to experience economic inactivity linked to caring responsibilities.^{9,10}

Taken together, these trends point to a workforce under mounting pressure, with health-related barriers to work, persistent inequalities and financial insecurity likely to affect people’s experience of work and ability to remain well in employment.

These research findings are a critical warning sign:

Without action that tackles the root causes of poor mental health, including financial insecurity and adverse working conditions, the wellbeing of the Welsh working population is likely to deteriorate further.



5. Labour market statistics (Annual Population Survey): 2025. Welsh Government. 2025. Accessed August 17, 2026. <https://www.gov.wales/labour-market-statistics-annual-population-survey-2025-html>

6. Ibid

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8. Ibid

9. Dataset - Percentage of people in employment, who are on permanent contracts (or on temporary contracts, and not seeking permanent employment) and who earn at least the real Living Wage. Stats Wales. April, 2026. Accessed August 17, 2026. <https://stats.gov.wales/en-GB/2f764027-85bb-4877-845b-229d2f746cf6/start>

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Workplace policy

Wales has developed a strong policy framework around fair work and workplace wellbeing.¹¹ Fair work is embedded across Welsh Government policy through initiatives including the *Social Partnership and Public Procurement (Wales) Act 2023*¹², the *Economic Contract*¹³ and *Healthy Working Wales*.¹⁴ Measures relating to employment quality are also reflected within Wales’s national wellbeing indicators.¹⁵

These are important foundations, but available evidence suggests a gap remains between policy ambition and improvements in job quality, income security and workforce wellbeing.

Challenges are particularly acute for groups facing entrenched disadvantage. Women continue to face barriers linked to childcare and caring responsibilities.¹⁶ Young people often struggle to progress from employability support into sustainable work.¹⁷ Disabled people and those with long-term health conditions report barriers including inadequate workplace adjustments.¹⁸ Ethnic minority groups continue to experience discrimination and unequal access to opportunities.¹⁹ Employment support also remains fragmented, with limited integration between employment, health and skills services.²⁰



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POLICY CALLS TO ACTION – WHAT CAN WE DO?



The Welsh Government has an opportunity to address the impact of work on our mental health by taking decisive action on some key policy areas, including:

Help people access, stay in and progress in good work:

- **Treat childcare as labour market infrastructure**, recognising its importance in supporting parents, particularly women, to enter, remain and progress in work.
- **Do more to tackle practical barriers to participation** through more integrated employability and wellbeing support, alongside solutions to issues such as transport and caring responsibilities.
- **Strengthen progression to employment for young people** by improving access to apprenticeships, paid opportunities and sustainable jobs.
- **Tackle the root causes of unequal employment outcomes** by addressing structural barriers to good work and using disaggregated data to monitor progress.

Create healthier and fairer working conditions:

- **Take more joined up action across work, health and skills**, improving coordination across work, health and skills services so people receive earlier and more tailored support to enter and remain in employment.
- **Make mental health a visible fair work outcome** by ensuring fair work policies explicitly address work-related stress, psychological safety and the mental health impacts of organisational change.
- **Strengthen employer-facing support on workplace health and healthy work design**, including expanding initiatives such as *Healthy Working Wales* that promote shared learning on good practice in workplace mental health.

Research methods

The figures here come from new analysis of the *Understanding Society* dataset²¹ carried out by the Mental Health Foundation research team. The *Understanding Society* study collects longitudinal data from 40,000 households across the UK, surveying the same people each year to track changes over time. Here, we have analysed data from 2009/10 through to 2023/24, the most recent data available at the time of *The Foundation*

Reports publication. The 2023/24 wave of data collection included 1,028 employed people in Wales.

Further details on the analysis strategy can be found in the appendix of the full-length research report, *The Foundation Reports: Employment and mental health inequality (2026)*. Data tables are available on *The Foundation Reports* website.



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