



Poverty in Scotland

29th October 2024

What will I cover?

- What is the link between poverty and health?
- What is poverty in Scotland like now?
 - Who is most at risk of poverty?
 - Where?
 - And why?
- A focus on social security
 - Social security and poverty
 - Disability benefits
 - Changing income composition for low-income families
 - Adequacy
 - Families most left behind



Why is poverty important from a public health perspective?

- Nearly 12-year difference in **life expectancy** between men in the most and least deprived areas.
- 22-year difference in **healthy life expectancy** between women in the most and least deprived areas.
- Physical and mental ill-health can be both outcomes and drivers of poverty e.g.
 - Lack of income results in cutting back on food and heat.
 - Inadequate housing.
 - Being unable to work due to a disability or ill-health means you can only rely on an inadequate income from social security.
- Services are overwhelmed:
 - 7 in 10 healthcare staff said that supporting patients who cannot afford the essentials was a challenge for their service ([JRF, 2024](#))



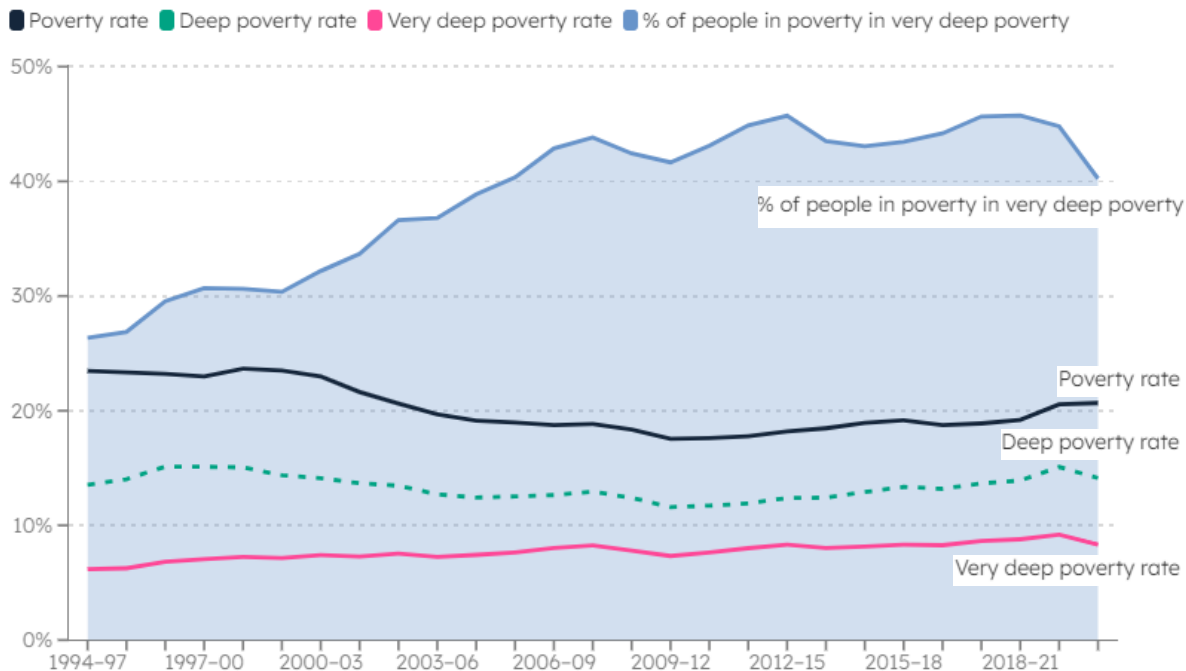
Poverty levels in Scotland



Poverty has deepened in Scotland

- Poverty rates have been stable or rising since 2009–12
- 2 in 5 people in poverty are in very deep poverty
- Their income is further now from the poverty line than it was in 1994–97

Proportion of people in poverty by depth
1994–97 to 2020–23

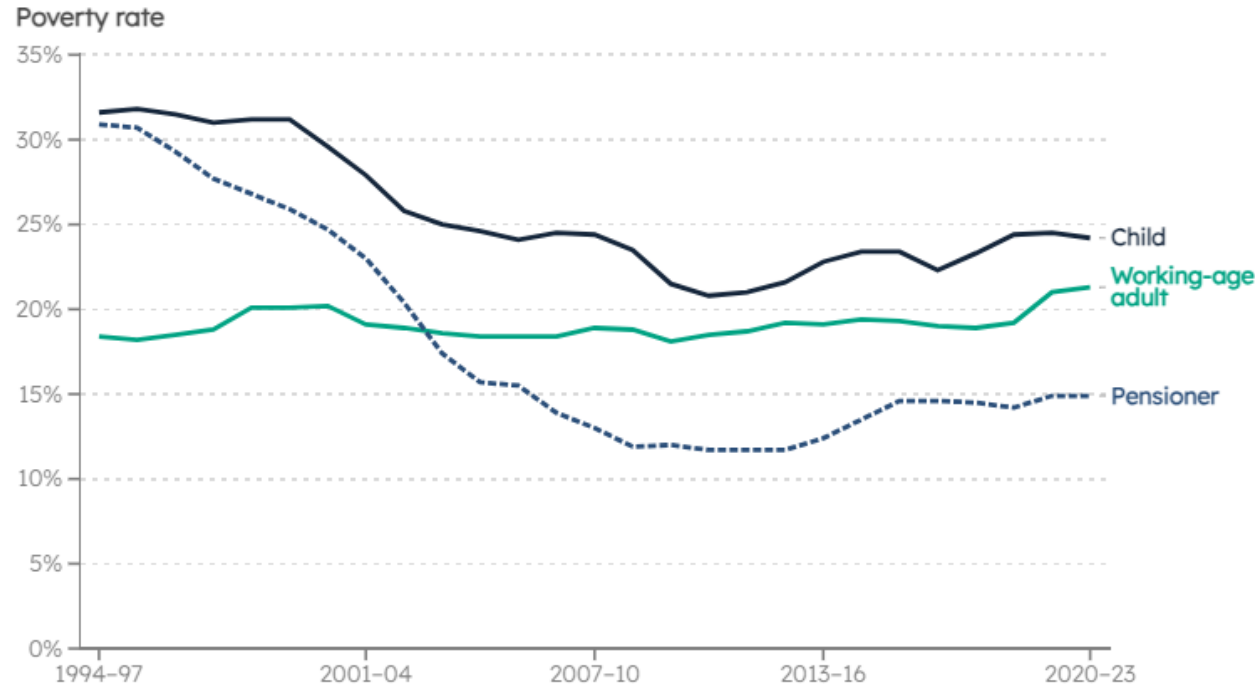


Source: JRF analysis of Household Below Average Income

Children have seen the worst poverty rates but rates or pensioners has been increasing

Poverty rate (AHC) for children, working-age adults and pensioners

1994-97 to 2020-23

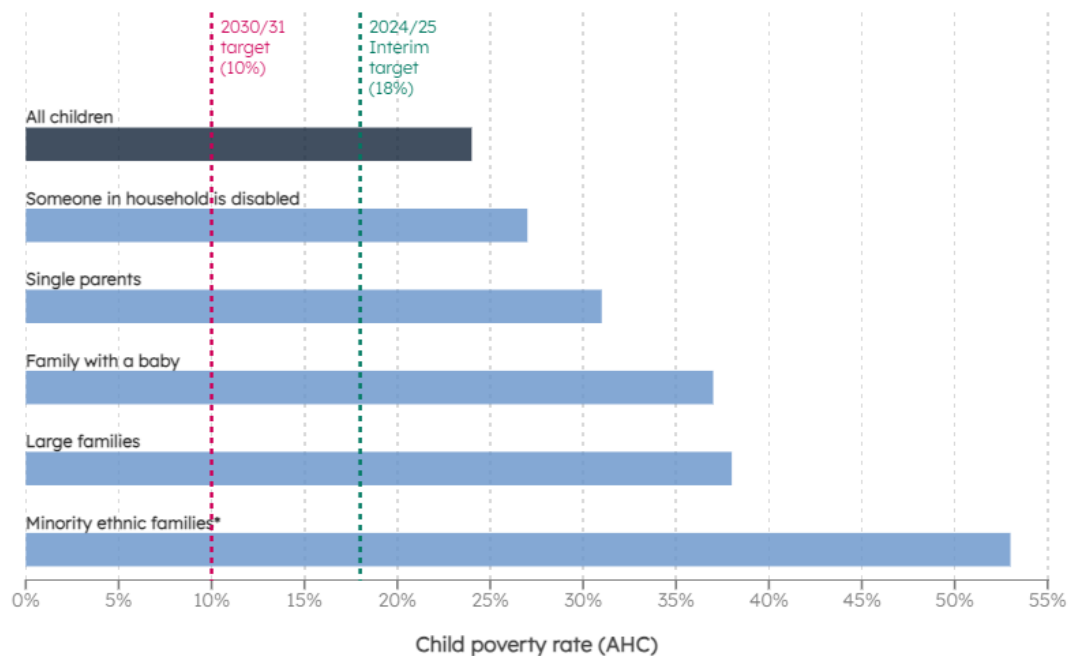


- 1 in 4 children
- 1 in 5 working-age adults
- 15% of pensioners

Child poverty

- We remain a significant distance from all four of the child poverty targets.
- The priority families are even further from the targets.
- 1 in 3 children in families with a baby and large families.
- Over half of minority ethnic children.

Child poverty rates compared to the targets for the Scottish Government's priority families



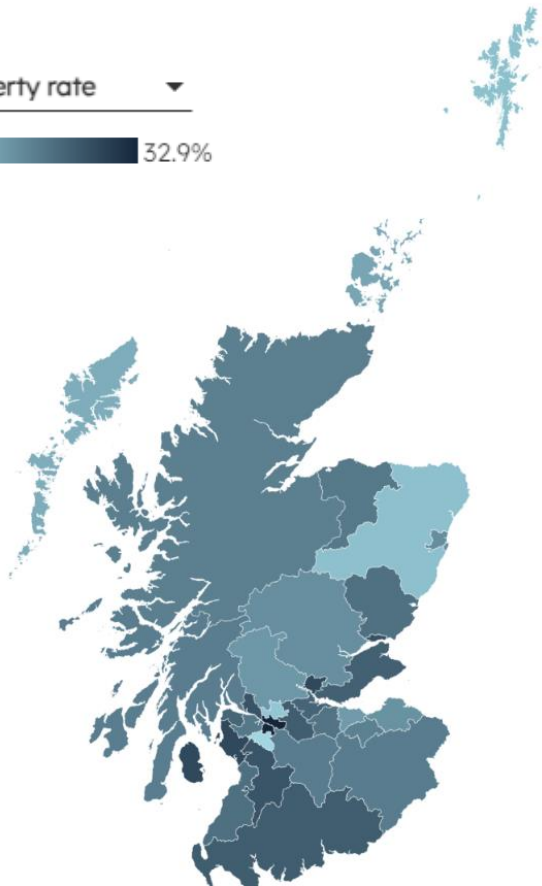
Source: JRF analysis of Households Below Average Income

Note: The sample size for children with a young mum is too small to publish. The sample for a family with a baby is small in 2020/21. However, it shows a similar poverty rate to earlier years and there is just a small difference between the 5 and 3 year average. *Our definition of minority ethnic does not include people from an 'other white' background.

Rate and share of child poverty in Scotland

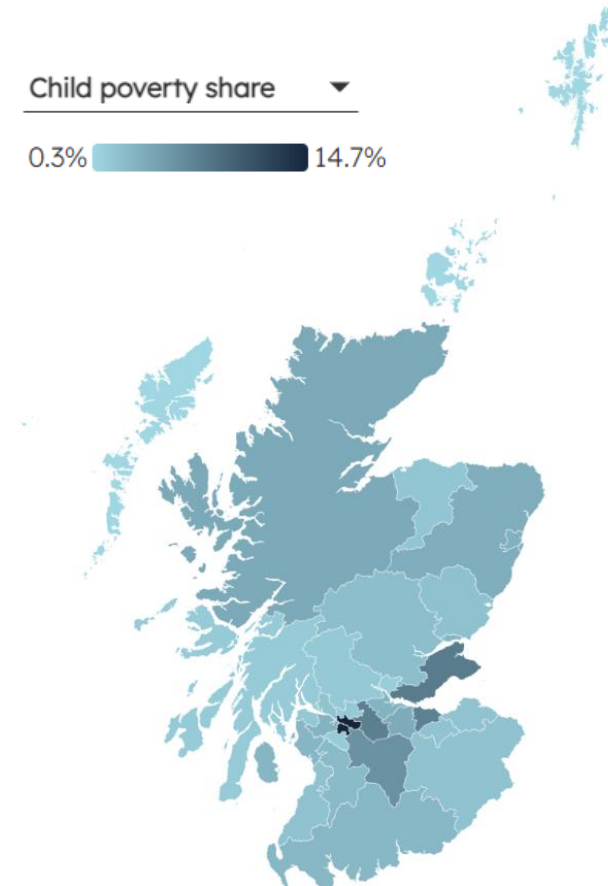
Child poverty rate ▼

14% 32.9%



Child poverty share ▼

0.3% 14.7%



The drivers of poverty

- Work
 - 6 in 10 people in poverty have one or more people in their family in work.
 - Low pay
 - Insecure contracts
 - Too few hours
- Housing
 - 1 in 4 renters in poverty are pulled into poverty due to housing costs.
- Social security
 - It should be a safety net but...



Social security is leaving people
trapped in poverty



“

I don't know anyone that's on benefits that feels secure,
but you should feel secure.

Alex
Fife

”

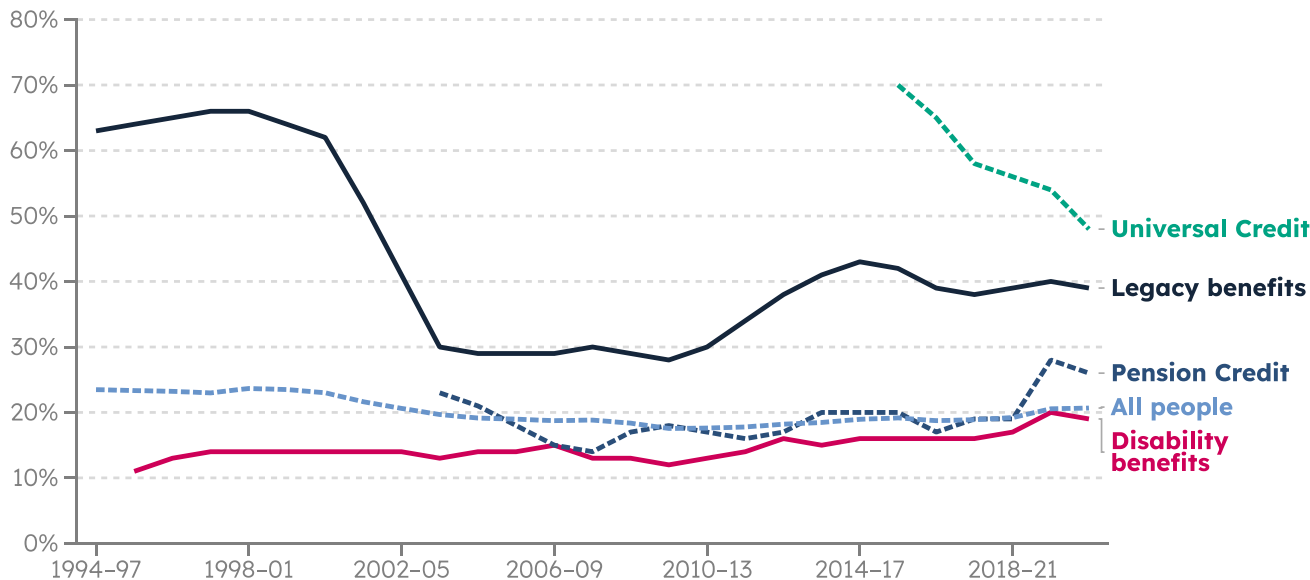


JOSEPH ROWNTREE FOUNDATION

People on low-income benefits have a greater risk of poverty

1994-97 to 2020-23

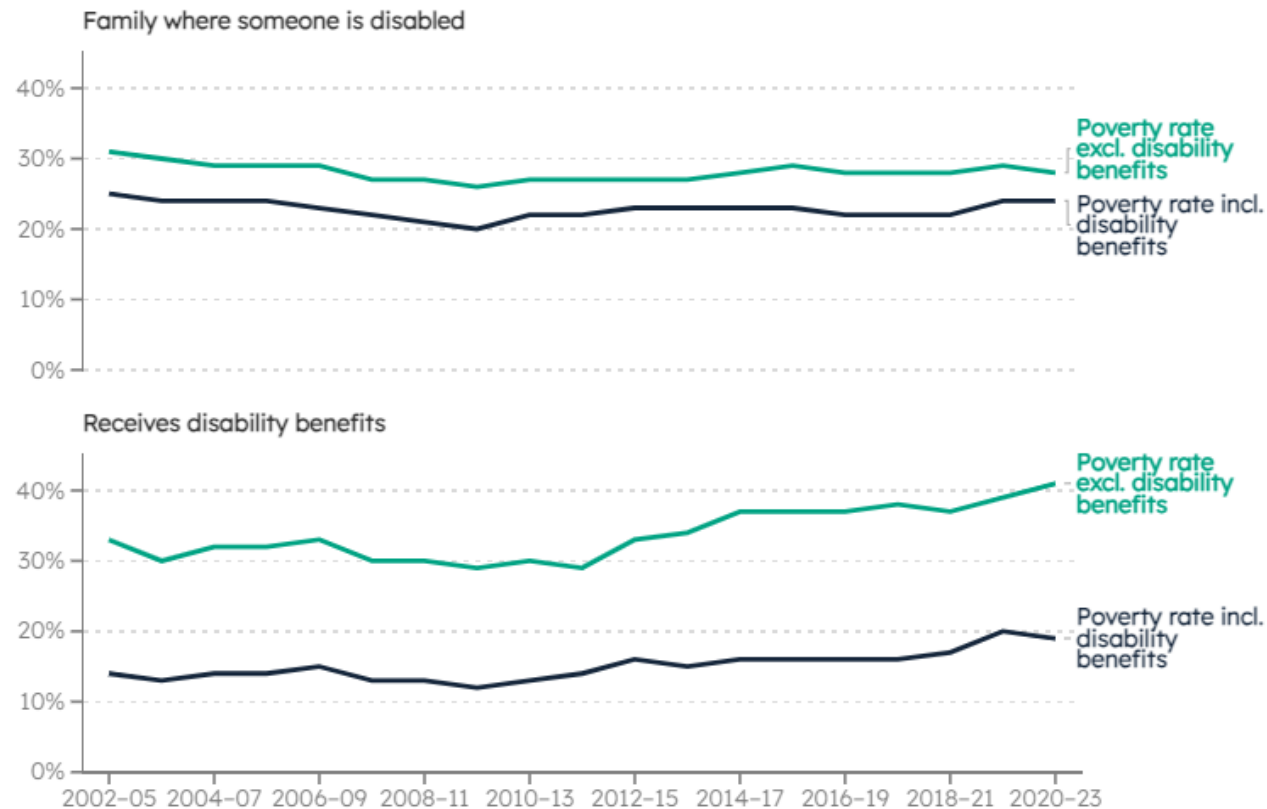
Poverty rate (AHC)



Source: JRF analysis of Households Below Average Income and the Family Resources Survey Note: Legacy benefits include Child Tax Credits, Working Tax Credits, Job Seekers Allowance (excl. people receiving contributory JSA), Income Support, Employment and Support Allowance (excl. people receiving contributory ESA) and Housing Benefit.

Families where someone is disabled and/or a carer

Comparing poverty rates with and without disability benefits



Source: JRF analysis of Households Below Average Income and the Family Resources Survey

Families where someone is disabled and/or a carer are at a greater risk of poverty

- Disability benefits are intended to cover additional costs of being disabled.
- 28% of people in a family where someone is disabled were in poverty (excl. disability benefits)
- 41% of people in families in receipt of disability benefits were in poverty (excl. disability benefits)
- Still to cover extra costs of £975 per month ([Scope, 2023](#))
- 1 in 4 carers are in poverty.
- 1 in 3 people in a family in receipt of carers allowance are in poverty.
- These groups overlap with half of families in receipt of Carers Allowance also receiving a disability benefit.

Shrinking benefits and a growth in work



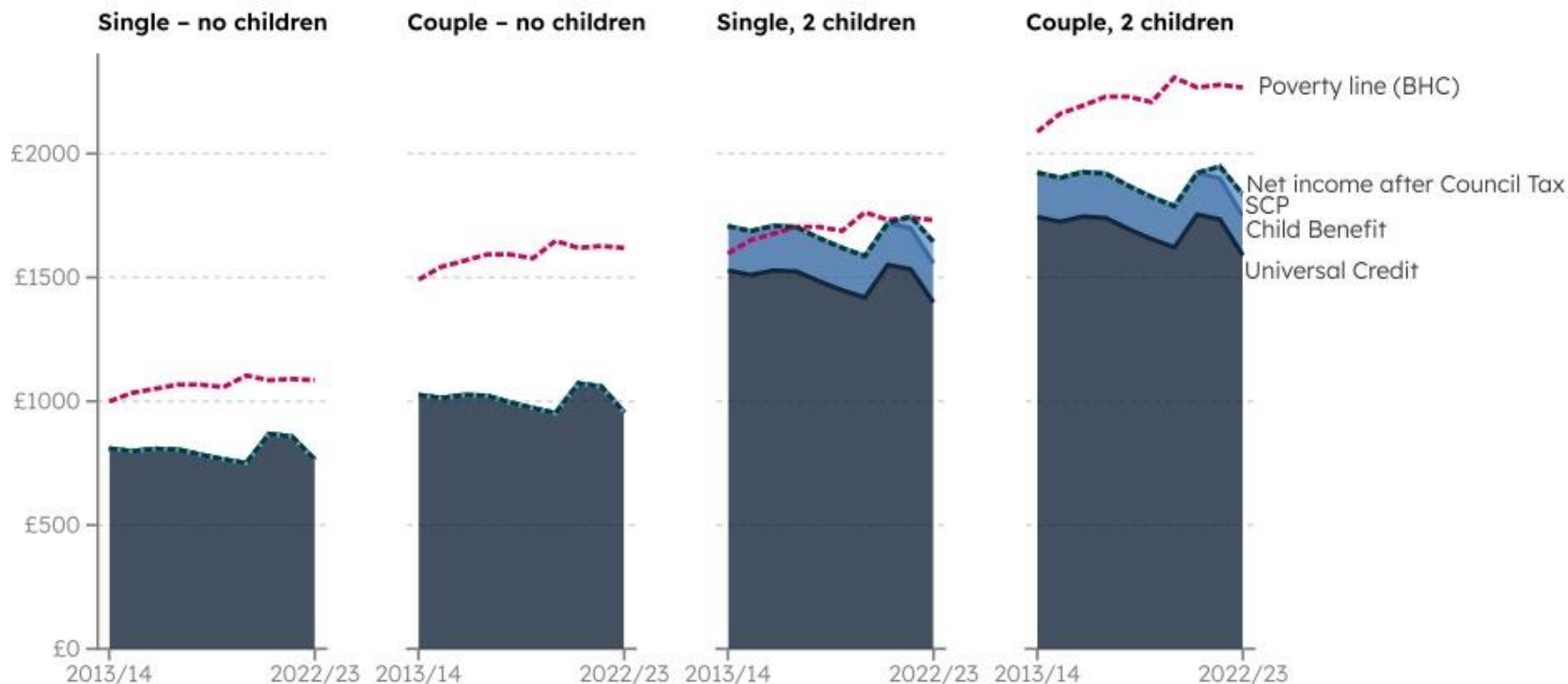
The value of low-income benefits has fallen over time

- Real terms fall in the value of low-income benefits over time.
- Families not in work are trapped in poverty on Universal Credit.
- The £20 uplift made a real difference to the incomes of low-income households.
- For families with children, SCP and Child Benefit help lift incomes.
- Families have fallen further below the poverty line.
- ‘Work first’ approaches are not working for many low-income families.
- Housing costs leave many families vulnerable.



The basic rate of out-of-work benefits

Poverty line (BHC) Net income after Council Tax Universal Credit Child Benefit SCP



Note: All values in 2022/23 real terms. Assumes families without children live in a lower-cost private rented, 1-bedroom flat and families with children live in a lower-cost private rented, 2-bedroom property both in Fife. The families with 2 children have one aged 0-4 and one primary school-aged.

Families moving into work

Families without children

- Families without children no longer get a work allowance.
- Single adults without children, working full-time on the NLW fall below the after-housing costs poverty line in 7 out of the 10 years.

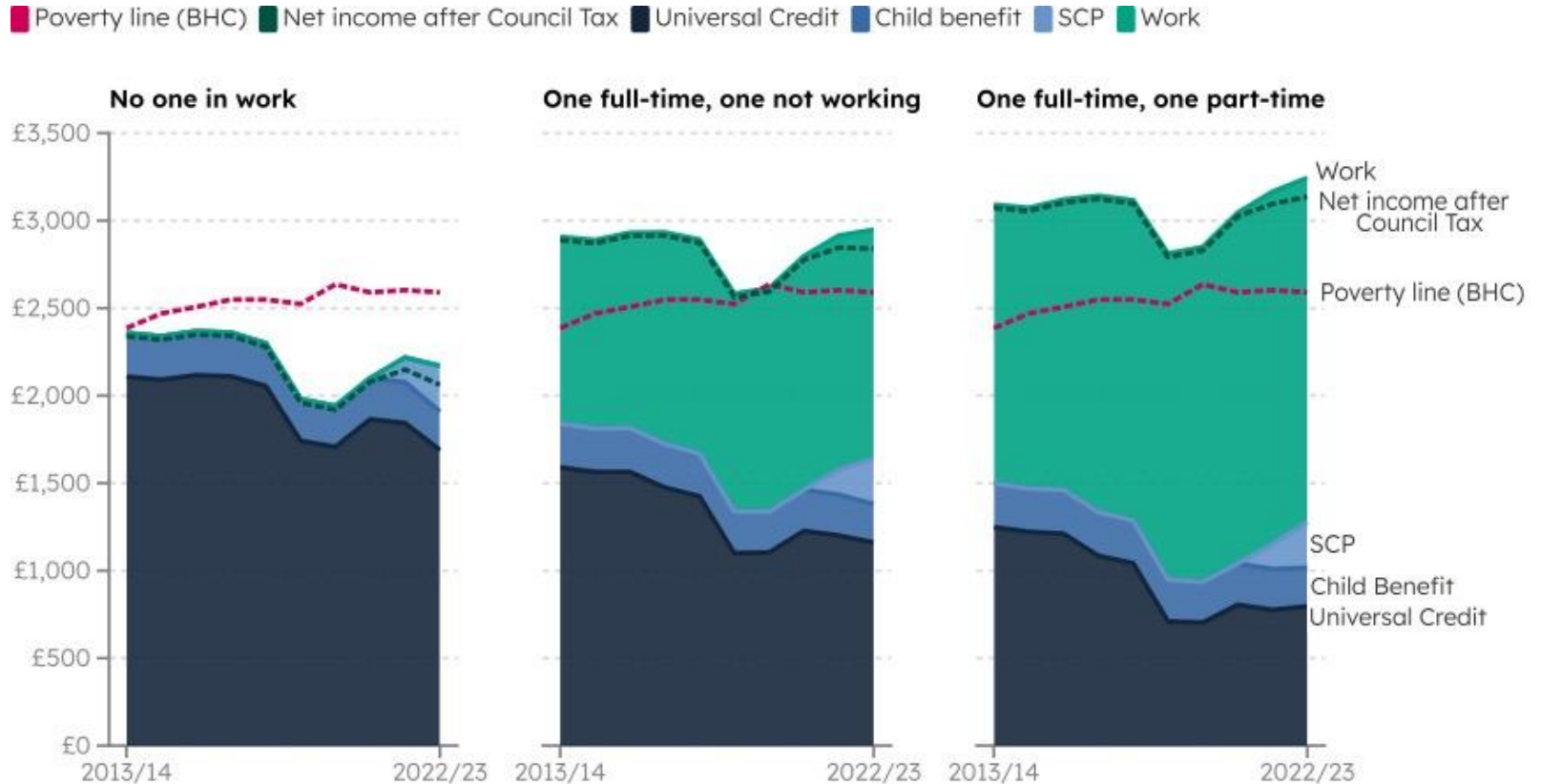
Families with children

- Lack of childcare and flexible, family-friendly employment
- Do get a work allowance
- Some are held just above the poverty line by moving into work, but some families still fall below the poverty line if parents move into work.

Income growth for these families comes from work and not from benefits. For many incomes have flatlined.



Large family with three children (9 months, toddler and primary-aged)



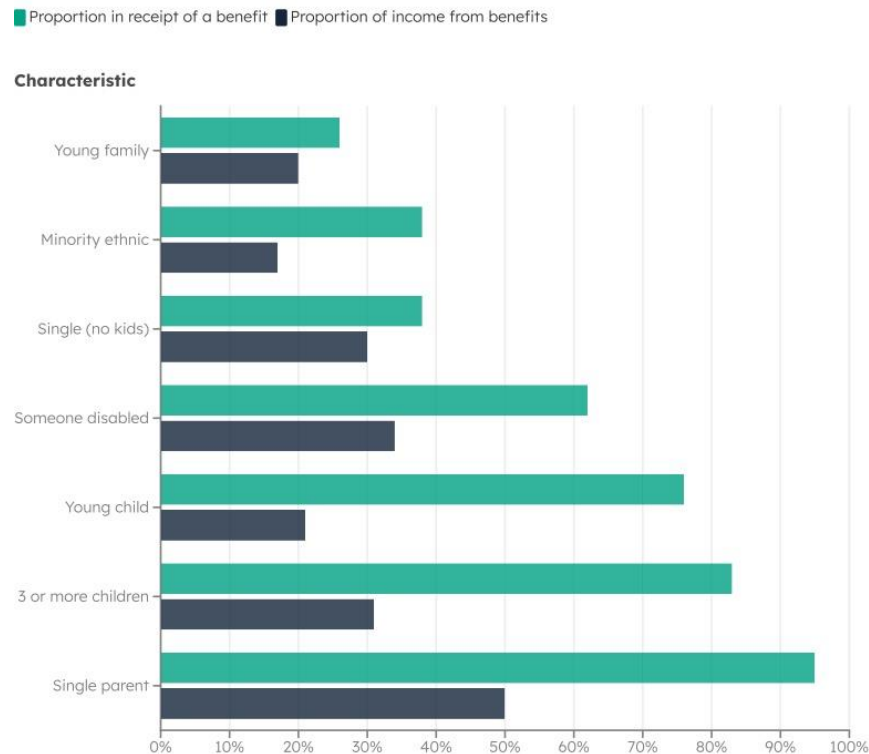
Families left behind



Single parents and large families are more likely to receive and rely on social security

- Some family types are more impacted by changes to the benefits system as more of the families and more of their income comes from benefits.
- Policy choices **are** important!
- Some families are less likely to be receiving support e.g. minority ethnic families and young adults
- Other families are more reliant on benefits but the benefits are inadequate in value e.g. large families, families with a pre-school child and single parents
- Access and adequacy as well as making the system fairer

Proportion of households in receipt of benefits compared to the proportion of income from benefits



Source: JRF analysis of Households Below Average Incomes Note: All groups at the household level except young family under the age of 25.

“

Whether you're a couple or a single person at the age of 24 or at the age of 26, it's only a two-year difference. It's no cheaper for the 24-year-olds to live than it is for the 26-year-olds. Nothing is less for them.

Laura
Glasgow

”

“

What they have introduced is prejudice.
And I would go so far to say discriminatory against young children.
And it's absolutely disgusting! Abhorrent that an innocent child is
punished for
being born. I mean, who made this up?
You know, it's so cruel.

Andrew
Dundee

”

Conclusions

