2. Child Poverty: scale, trends and distribution in Scotland
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Key messages

- Almost one in four children in Scotland (23%, 230,000) were living in relative poverty in Scotland in 2016/17.
- Current levels of child poverty are not inevitable: they have changed over time in both Britain and Scotland. Projections of child poverty levels in Scotland suggest these are likely to increase unless concerted action is taken.
- Risk of child poverty is high in workless households, but two-thirds of children in poverty in Scotland live in working households.
- Child poverty is spatially concentrated in urban and older industrial Scotland, though pockets can be found everywhere.
- Scotland compares favourably with other UK countries/regions, and is mid-ranked among other rich countries. In 2010, the lowest levels of child poverty were found in Scandinavia, the Netherlands and Slovenia.
- Tackling child poverty is likely to require a combination of population-wide and targeted actions:
  - The risk of poverty is higher for children: in large families, in lone-parent households, under the age of 5, with a young mother, in a household where someone is disabled, in a household where no adults work, in a non-White Scottish household.
  - But children in poverty in Scotland are more likely than not to: live in small families, live in families headed by a couple, be aged 5–19, live with a mother aged 25+, live in a household where no-one is disabled, live in a working household, live in a White Scottish household.

How is child poverty measured in Scotland?

There are several different measures of child poverty in Scotland. It is helpful to monitor them because they tell us different things.

Poverty in Scotland (and the UK) can be measured before or after housing costs. The Child Poverty (Scotland) Act 2017 sets its targets based on poverty after housing costs (AHC).

Income-based measures of poverty are ‘equivalised’ – that is, they are adjusted to take into account household need (based on size and composition).

The Child Poverty (Scotland) Act 2017 contains four headline income-based measures of poverty, defined as follows:
• **Relative poverty**: living in a household with an equivalised income below 60% of median incomes in that year.

• **Absolute poverty**: living in households with equivalised income below 60% of median income in some base year, usually 2010/11.

• **Combined material deprivation and low income**: living in a household with below 70% of median incomes in that year, plus whose parents want but cannot afford specific goods or services for their children or for themselves (such as a holiday away from home once a year, or bedrooms for every child aged 10+ of a different gender).

• **Persistent poverty**: living in relative poverty for three or more of the last four years.

Other measures of poverty are available. At the extreme end, a recent report estimated that 365,000 children in the UK were destitute in 2017, meaning that they could not afford the bare essentials required to eat, stay dry and warm and keep clean. The issue of destitution is however not considered further in this briefing.

For more information see briefing 1: Child Poverty (Scotland) Act 2017: an overview and Poverty, low income and economic disadvantage: concepts and definitions.

**What is the scale of child poverty in Scotland?**

**In 2016/17, after housing costs:**

• Just under a quarter of children (23%, 230,000) in Scotland were living in relative poverty.

• One in five children (20%, 200,000) in Scotland were living in absolute poverty.

• Almost one in nine (11%, 110,000) children in Scotland were living in households with combined material deprivation and low income.

In 2012–16, 10% of children in Scotland were in persistent poverty after housing costs. 

Nearly 1 in 4 children in Scotland (23%) were in relative poverty after housing costs in 2016/17. That’s 230,000 Scottish children.

1 in 10 children in Scotland (10%) were in persistent poverty during 2012–2016. This means they were living in poverty for at least three out of four years.
How has child poverty changed over time?

**Britain**
Child poverty is not inevitable. In Britain, after remaining relatively stable through the 1960s and 70s, child poverty rose rapidly during the 1980s. It showed an overall decrease since the late 1990s, but since 2012 child poverty rates have risen (see Figure 1 on page 5).

**Scotland**
In Scotland, a similar pattern is seen for Britain since the 1990s, with relative child poverty rising in recent years. Since 2010–13, the proportion of children in combined material deprivation and low income (AHC) has remained fairly stable (see Figure 2 on page 5). Persistent child poverty in Scotland decreased from 14% in 2010–2014 to 10% in 2012–2016.

Figure 1. Child poverty in Britain is not inevitable: it has changed over time

Actual and projected percentage of children in relative poverty in Britain/UK, After Housing Costs: 1960s to 2020s

Source: Institute for Fiscal Studies

Figure 2. Child poverty in Scotland fell between the late 1990s and mid-2000s. Recently, relative poverty has risen while absolute poverty and material deprivation flat-lined.
How is child poverty in Scotland predicted to change?

Relative child poverty after housing costs in Scotland is forecast to increase, at least in the short-term. Reed and Stark (2018) estimate that relative AHC child poverty in Scotland is forecast to increase to 34.5 per cent by 2020/21. Other research supports the view that, all things being equal, child poverty will rise in Scotland over time.

By 2021 it is predicted that more than 1 in 3 children in Scotland will be living in poverty

How does child poverty vary across Scotland?

Child poverty is highest in urban and industrial Scotland but can be found everywhere. After housing costs, the highest rates of child poverty are found in in Glasgow, Dundee, Ayrshire, Inverclyde, Clackmannanshire and West Dunbartonshire. Much lower rates are observed in Aberdeenshire, the Shetland Islands, East Renfrewshire and East Dunbartonshire (see Figure 3 on page 8).

However, this conceals high levels of poverty at a neighbourhood level found right across Scotland, including in ‘affluent’ and in rural local authorities. For example, within East Renfrewshire, child poverty in the Barrhead ward exceeded 27%.

In 2014–16, the proportion of children living in households with combined material deprivation and low income was especially high in Glasgow, and likely to be lower than the Scottish average in Moray, Aberdeenshire, East Renfrewshire and the Shetland Isles (see Figure 4 on page 9).
How do child poverty rates in Scotland compare to other regions and countries within the UK?

For the three-year period 2014/15–2016/17:

- After housing costs, relative child poverty rates in Scotland were low compared to the UK as a whole, with the highest child poverty rates observed in London (especially inner London), the West Midlands and the north-east of England.\(^\text{10}\)
- Scotland was mid-ranked in terms of the percentage of its children living in households with combined material deprivation and low income, before housing costs.
- On this measure, it compared unfavourably to the south-east and east of England but favourably relative to inner London, the north of England, Yorkshire and Humber and the Midlands.\(^\text{10}\)

In 2012–16, persistent child poverty in Scotland was lower than in other UK countries: after housing costs in 2012–16, 10% compared to 18% in England, 16% in Northern Ireland and 20% in Wales.\(^\text{4}\)
Figure 3: Percentage of children living in relative poverty after housing costs:

Legend
Children in relative poverty (%)

- 9-17
- 18-19
- 20-22
- 23-25
- 26-34

Source: End Child Poverty
**Figure 4:** Percentage of children living in families with limited resources: Scottish local authorities, 2014–16.

**Legend**

Children in low-income households with limited resources (%)

- 5-11
- 12-17
- 18-19
- 20-24
- 25-41

Source: Scottish Government analysis of Scottish Household Survey data.
How do child poverty rates in Scotland compare internationally?

In 2010, the latest year for which a wide range of international comparisons was available, before housing costs, relative child poverty rates in Scotland were high compared to other European countries, including the Netherlands, Slovenia, Iceland, Denmark, Sweden and Norway (see Figure 5 below). However, they were lower than rates seen in southern and eastern Europe, the USA, Australia and Canada.

Figure 5: Child poverty rates before housing costs, Scotland’s international position: 2010.

Source: Luxemburg Income Study database key figures; Scottish Government.

Which children are more likely to be poor?

Successfully tackling child poverty is likely to require approaches that combine population-wide actions and targeted interventions, appropriate to high-risk groups (see Figure 6 on page 12).
Risk of child poverty in Scotland is higher for some, including those in households:

- Where no adults are working
- Of Pakistani origin
- With a young mother (<25)
- Headed by a lone parent
- With 3+ children
- Where someone is disabled

But the greatest numbers of poor children in Scotland are likely to:

- Have an older mother (25+)
- Live in a white Scottish household
- Have no one with a disability in the household
- Where at least one adult works: 2/3 poor children living in a working household
- Live in a small family (1 or 2 children)
- Live in a couple family

Source: Scottish Government; UK Family Resource Survey 2016/17, Table 4.5db.
Figure 6: The risk of poverty and absolute number of children in Scotland living in poverty, after housing costs: by selected characteristics, 2014/15–2016/17.
Percentage of children in relative poverty within each group, AHC

Source: Scottish Government.
References


10 DWP (2016/17) Households below average income. FRS, Table 4.6db: Percentage of children in low-income groups by various family and household characteristics, United Kingdom (three-year average).