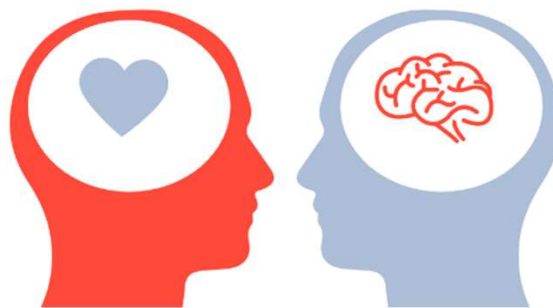


Poverty Awareness Programme 2019



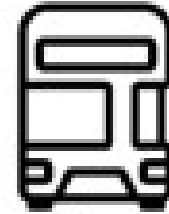
Robin Tennant

The Poverty Alliance

Adequate incomes

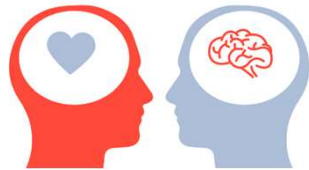


Access to high quality services



The changes we want to see

Increased public support



Opportunities to Participate



Relative 'poverty line' 2016/17*

Weekly income after tax and housing costs

| | Single adult household | Lone parent with 2 children (5 & 15) household | Couple with no children household | Couple with 2 children (5 & 15) household |
|-------------------------|------------------------|--|-----------------------------------|---|
| Median income | £247 | £510 | £425 | £688 |
| Relative poverty | £148 | £306 | £255 | £413 |
| <i>MIS</i> | £207 | £309 | £330 | £475 |

* Measured as less than 60% median income for each H/H type

Source: JRF/NPI, Dec. 2018

Defining poverty

“People are in poverty when they lack resources, the types of diet, participation in activities and living conditions which are customary, in the societies in which they belong.”

P. Townsend, (1979) *Poverty in the United Kingdom*

Definition of Poverty: The European Commission

“Income and resources are so inadequate as to prevent people from having a standard of living considered acceptable in the society in which they live”.

For individuals and families this means

- Lack of basic necessities
- Isolation
- Too much bureaucracy and lack of information
- Lack of respect and hope
- Lack of decent work
- Fear for their children

Poverty and savings

- 69% of the poorest fifth of households had no savings.
- The proportion of people with no savings has increased by 12% over the last decade.
- 63% of families in the poorest fifth unable to save £10 a month, compared with 35% in the middle fifth, and 10% in the richest fifth.
- Nearly half (47%) of families in the poorest fifth have trouble making ends meet.

Why does poverty happen?

Why poverty happens

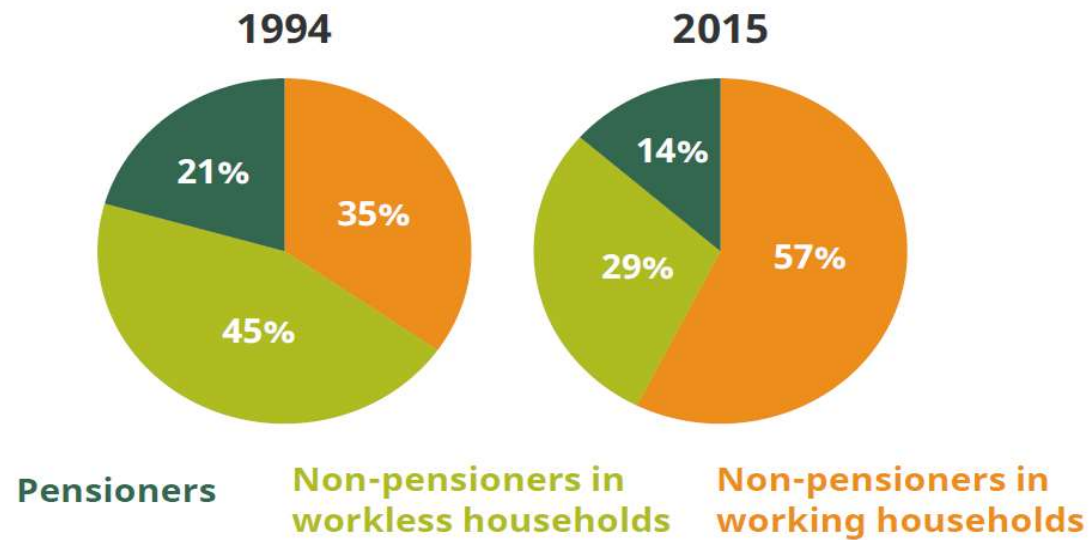
Increasing numbers of people are being locked in poverty. We believe this is due to three main reasons:

- 1 A raft of **welfare changes**
- 2 Increased in-work poverty due to **low pay** and **rising living costs**
- 3 **Public services**, including social security, that help people stay afloat are **being cut**.

Current poverty trends

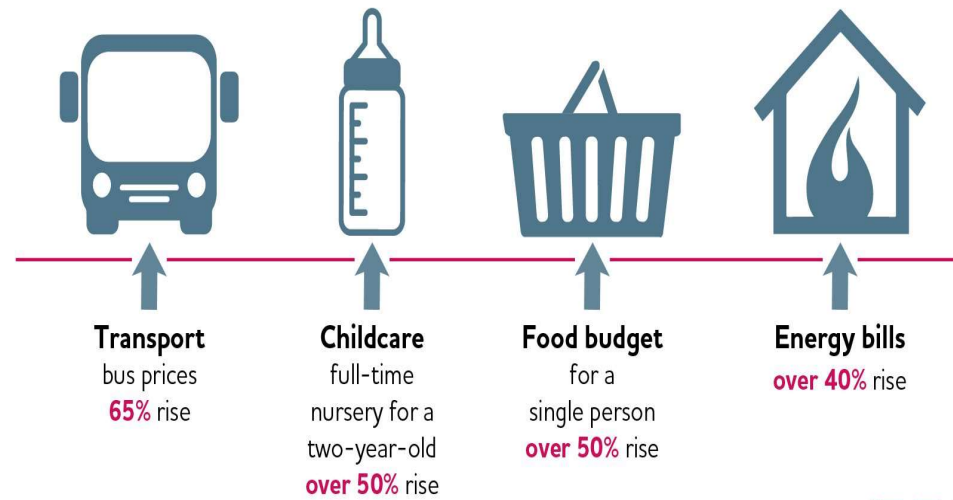
- **1 million people** in Scotland are currently living in poverty.
- 230,000 children in Scotland are currently living in poverty.
- 66% of children in poverty in Scotland are living **in working households**.
- SG estimates child poverty will increase to **34.5% by 2020/21**, and then to 38% by 2028.

The changing face of poverty



Note: Years refer to financial years. Chart shows the composition of the population in relative AHC poverty.
Source: Author's calculations using Family Resources Survey, 1994-95 and 2015-16.

Over the past decade the pressure on household budgets has increased due to the **rising costs of essentials**



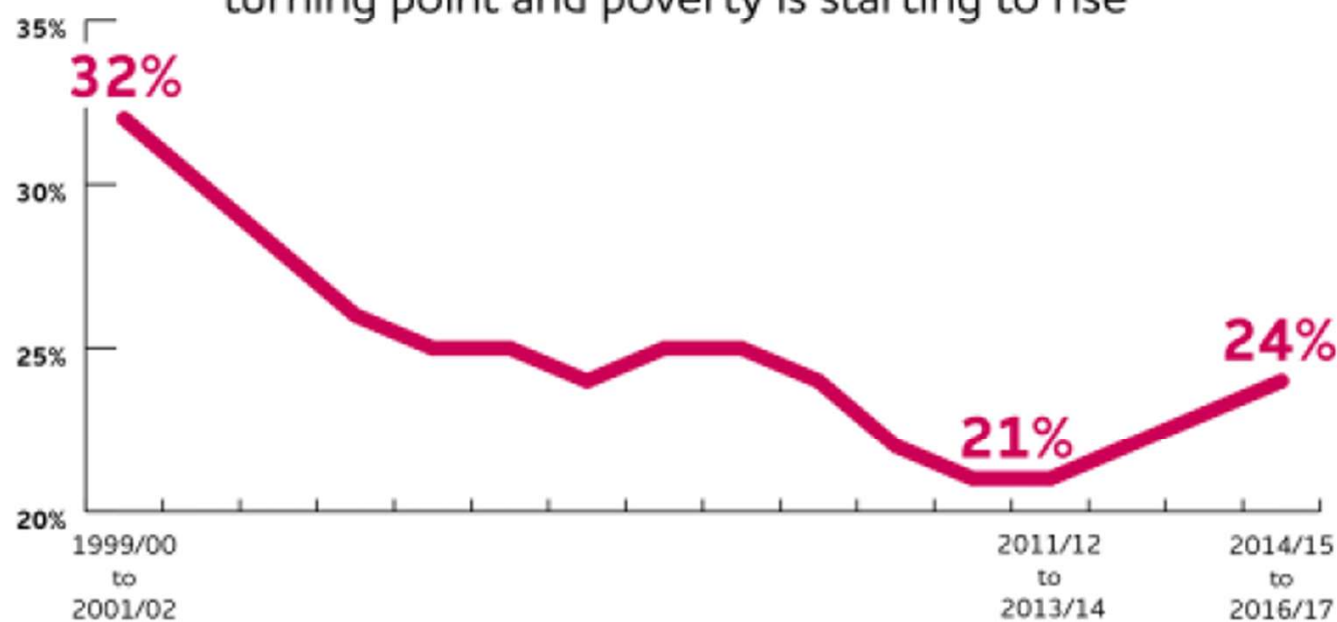
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 **the
POVERTY
ALLIANCE**
WORKING TOGETHER TO COMBAT POVERTY

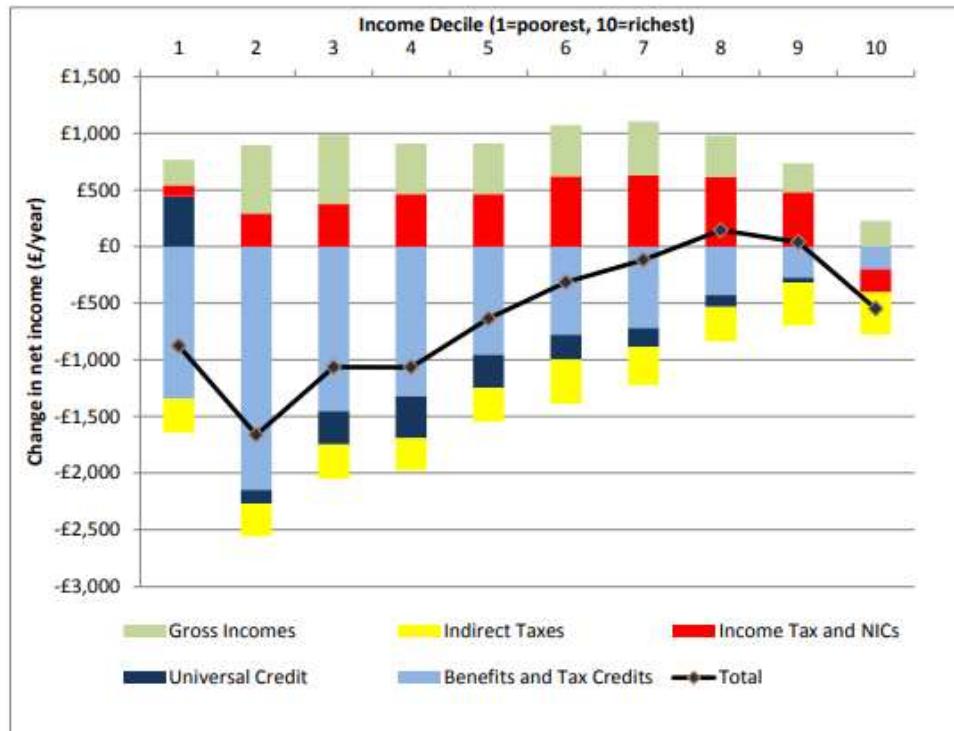
Child poverty: progress is unravelling

Scotland's progress on reducing **child poverty** has reached a turning point and poverty is starting to rise



Austerity driving poverty

Cash impact of reforms to taxes and transfer payments by household net income decile and type of reform, 2021-22 tax year: Scotland



Source: Landman Economics tax-transfer model analysis using FRS pooled dataset 2012-13 to 2015-16 and LCF pooled dataset 2010 to 2015-16.

From 2010-2020/21 D&G will have lost an estimated £55m per year due to welfare reform

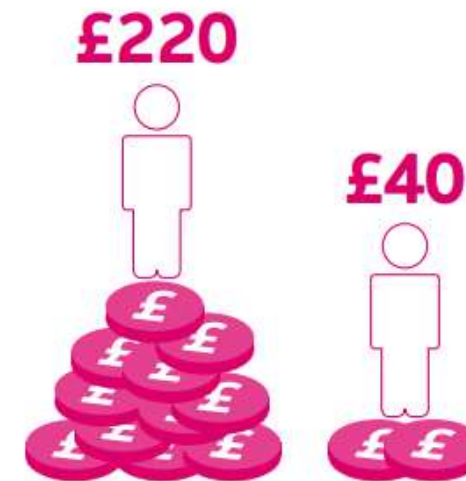
That's equivalent to £600 per year for each w/a adult (Scotland £560)

Source: Centre for Regional Economic and Social Research, Sheffield Hallam University (2019)

Poverty & inequality between & within communities

- 34% of children in Glasgow are living in poverty
- 22% of children in Edinburgh are living in poverty
- 23% of children in D&G are living in poverty.

Source: Scottish Government



The most deprived local authorities have seen cuts of **£220 per head**, compared to **£40 per head** in the least deprived.

Source: Joseph Rowntree Foundation

Estimates of non-take-up for families and expenditure

Pension Credit



Up to 1.3 million families who were entitled to receive Pension Credit did not claim the benefit.



Up to £3.5 billion of available Pension Credit went unclaimed; on average, this amounted to around £2,500 per year for each family entitled to receive Pension Credit who did not claim the benefit.

Housing Benefit



Up to 1.3 million families who were entitled to receive Housing Benefit did not claim the benefit.



Up to £4.2 billion of available Housing Benefit went unclaimed; on average, this amounted to around £3,000 per year for each family entitled to receive Housing Benefit who did not claim the benefit.

IS/ESA (IR)



Up to 0.5 million families who were entitled to receive IS/ESA (IR) did not claim the benefit.



Up to £2.4 billion of available IS/ESA (IR) went unclaimed; on average, this amounted to around £4,500 per year for each family entitled to receive IS/ESA (IR) who did not claim the benefit.

<https://www.gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2016-to-2017>

Types of poverty

- Food poverty/Food insecurity: No systematic data on food insecurity in Scotland but poverty is key to rising numbers of people using foodbanks
- Housing poverty: The average weekly social rent in Scotland has risen from £42.64 in 2004-05 to £74.44 in 2016-17, an increase of 75 per cent.

Food insecurity in Scotland 2017

- **8%** of adults said that they were worried they would run out of food due to a lack of money or resources
- **7%** said they ate less than they should due to lack of money or other resources
- **4%** said they had run out of food due to lack of money or resources

Scottish Government (2018) *Scottish Health Survey 2017*:

Volume 1: Main Report: <https://www.gov.scot/Publications/2018/09/9247>

What the figures are telling us

- Increasing numbers of people are being locked in poverty.
- Over 1 in 3 children are in danger of being pulled into a rising tide of poverty because of welfare changes.
- Employment is not a route out of poverty for everyone due to low pay and rising living costs
- We need strong public services, including social security, to help people stay afloat.

Keeping in Touch!

Sign up to our monthly enews – www.povertyalliance.org

Join us! http://povertyalliance.org/get_involved/join_us

Follow us on twitter: @PovertyAlliance, @ScottishLivingW, @CPW_Scotland

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www.facebook.com/ScottishLivingWage

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