

Poverty and Income Inequality in Scotland: 2013/14



A National Statistics publication for Scotland

EQUALITY, POVERTY AND SOCIAL SECURITY

This publication presents annual estimates of the percentage and number of people, children, working age adults and pensioners living in low income households in Scotland. The estimates are used to monitor progress towards UK and Scottish Government targets to reduce poverty and income inequality. The data published for the first time here are for the financial year April 2013 to March 2014.

Poverty in 2013/14

Relative poverty in Scotland, before housing costs, decreased in 2013/14. Rates for children are the lowest since this series started in 1994/95. This reflects more people moving into employment, and increases in hours worked. In particular there was a shift from part-time employment to full-time employment for those on the lowest incomes.

However, after housing costs are accounted for poverty in Scotland has not decreased to the same extent. This is particularly true for families with children. This reflects rent values increasing at a faster rate than income, combined with changes to housing benefit eligibility, meaning little improvement in the standard of living.

Median income increased in Scotland in 2013/14 and was higher than UK median income. However, inflation continued to grow at a faster pace than earnings and the uprating of most benefits. Therefore increases in income have not necessarily resulted in improvements in people's standard of living, and combined low income and child material deprivation has continued to increase.

Key points

All individuals:

- **14 per cent of people** in Scotland were living in relative poverty, before housing costs (BHC), in 2013/14, a decrease from 16 per cent the previous year. This equates to 730 thousand people, 90 thousand fewer than in 2012/13.
- **After housing costs (AHC), 18 per cent of people** in Scotland were living in relative poverty, a decrease from 19 per cent in 2012/13. This equates to 940 thousand, 60 thousand fewer than in 2012/13.
- The decrease in 2013/14 continues the downward trend in relative poverty BHC in Scotland seen over the last decade, following the increase in 2012/13.
- However, the rate of relative poverty AHC, remains above the level in 2010/11.

Child poverty:

- **14 per cent of children** in Scotland were living in relative poverty BHC in 2013/14, a decrease from 19 per cent the previous year. This equates to 140 thousand children, 40 thousand fewer than in 2012/13.
- **After housing costs, 22 per cent of children** in Scotland were living in relative poverty, unchanged from the previous year. This equates to 210 thousand children living in relative poverty AHC, 10 thousand fewer than in 2012/13.
- The decrease in 2013/14 continues the downward trend in relative child poverty BHC over the last decade, following an increase in 2012/13. The rate of relative child poverty BHC is now at the lowest level since 1994/95.
- However, there has been no change in the rate of relative child poverty after housing costs. While incomes have increased, standards of living have not necessarily improved.
- In 2013/14, **13 per cent of children were living in combined low income and material deprivation**, an increase from 11 per cent the previous year. This equates to 130 thousand children living in material deprivation, 20 thousand more than the previous year.
- **After housing costs, 14 per cent of children** were living in combined low income and material deprivation, an increase from 12 per cent the previous year. This equates to 140 thousand children living in material deprivation, 20 thousand more than the previous year.
- This increase continues the upward trend in child material deprivation seen over recent years.

Working age adult poverty:

- **14 per cent of working age adults** in Scotland were living in relative poverty BHC in 2013/14, a decrease from 15 per cent the previous year. This equates to 440 thousand working age adults living in relative poverty BHC, 40 thousand fewer than in 2012/13.
- **After housing costs, 19 per cent of working age adults** in Scotland were living in relative poverty, a decrease from 21 per cent the previous year. This equates to 600 thousand working age adults living in relative poverty AHC, 60 thousand fewer than in 2012/13.
- The decrease in relative poverty BHC continues the gradual downward trend seen over the recent past, following an increase in working age poverty in 2012/13.
- Relative working age poverty AHC, although recording a decrease, remains at levels seen in 2009/10. There have been changes to housing benefit eligibility since 2011/12, and rent values increasing faster than income, meaning standard of living has not necessarily improved for working age adults.

Pensioner poverty:

- **15 per cent of pensioners** in Scotland were living in relative poverty BHC in 2013/14, unchanged from the previous year. This equates to 160 thousand pensioners in Scotland living in relative poverty BHC, 10 thousand more than in 2012/13.
- **After housing costs, 12 per cent of pensioners** in Scotland were living in relative poverty, an increase from 11 per cent the previous year. This equates to 120 thousand pensioners were living in relative poverty AHC, the same number as the previous year.

In-work poverty:

- In 2013/14, 48 per cent of working age adults in poverty BHC were living in working households, as were 56 per cent of children in poverty.
- After housing costs, 50 per cent of working age adults in poverty were living in working households, as were 56 per cent of children.
- While employment remains the best route out of poverty, employment is no longer a protection against poverty. While in-work poverty for working age adults and children showed a small decrease in 2013/14, the rate of in-work poverty remains at levels seen in recent years.

Income Inequality:

- **Median income** in Scotland in 2013/14 was **£24,000**, equivalent to £460 per week. Median income in Scotland has increased in 2013/14, following three years of decreases.
- In terms of **income inequality**, the percentage of income received by the lowest 3 income deciles in 2013/14 was **14 per cent**, unchanged from 2012/13. There has been very little change in this measure of income inequality since 1998/99.
- **The Gini coefficient**, which measures the degree of inequality in the household income distribution, in 2013/14 **was 30**. This is a decrease from 31 in 2012/13. Income inequality, as measured by the Gini coefficient, has remained at these levels over the last four years.

Poverty in Scotland - A headline measure:

To date, the Scottish Government have focused on poverty before housing costs as the headline measure of poverty in Scotland. This was because these were the measures set in the Child Poverty Act (2010).

The way in which housing costs are treated when measuring income has some important implications for poverty analysis and conclusions about the anti-poverty effects of policy reforms. This is because the number of people counted as poor (e.g. with income falling below a threshold) depends crucially on the income concept adopted. This publication presents relative and absolute poverty before and after housing costs, material deprivation before and after housing costs, and in-work poverty before and after housing costs.

The Scottish Government will talk with stakeholders over the summer to gather views on which poverty measure should be the headline measure for poverty in Scotland.

Please Note:

In this publication, **all statistics are based on net income**. That is, income after taxes and including benefits. Income is calculated at the household level, and reflects the income available to the household after taxes (including council tax) are paid and all benefits and tax credits have been received. Unless otherwise stated, incomes for previous years are in 2013/14 prices (real prices).

All figures in this publication are **rounded to the nearest 10 thousand individuals or whole percentage point**. In some cases calculations based on the unrounded figures do not match those based on the rounded ones. **Unless specifically stated, annual changes in the numbers and percentages of people in poverty presented in the body of this report are not statistically significant.**

Poverty is measured at the household level. If household income is below the poverty threshold, all people within the household are in poverty. This is based on the assumption that income is shared equally across all members of the household, and they have the same standard of living.

The estimates presented in this publication are based on a sample survey and are therefore **subject to sampling error**. Confidence intervals are a measure of sampling error. A 95 per cent confidence interval for an estimate is the range that contains the 'true' figure on average 19 times out of 20 if sampling error were the only source of errors. Many of the changes referred to in this publication are within the width of the confidence limits and caution should be exercised when looking at year on year comparisons, with longer term trends often giving a clearer picture. More information can be found here:

[Scottish Government - Income and Poverty Statistics - Methodology](#)

Presentation of key points and definitions

Each section starts with a magenta box providing the key facts for that section. Where relevant, additional information is provided in a blue box at the end of each section. This includes important definitions and links to National Indicators relating to poverty and income inequality on [Scotland Performs](#).

Changes to statistics 2013/14:

This publication includes changes to the statistics compared with previous publications:

1. Personal Independence Payment (PIP): 2013/14 is the first year of data that includes the receipt of PIP. PIP is a benefit to help with the extra costs caused by living with long-term ill health or a disability, for those aged between 16 and 64. The amount of benefit received depends how the condition affects the recipient rather than the condition itself.
2. Pensioners are defined as all those adults above State Pension age. Working age adults are defined as all adults up to the state pension age. Prior to April 2010, women reached the state pension age at 60. Between April 2010 and March 2016 the state pension age for women is increasing to 63 and will then increase to 65 between April 2016 to November 2018. At this point the state pension age for men and women will be the same. The changes do not affect the state pension age for men, which remains at 65. Therefore, as with the previous three reports, the age groups covered by the analysis of working age adults and pensioners will change for the 2013/14 report. The pensioner material deprivation statistics will continue to be based on pensioners aged 65 and over.









Changes to the publication 2013/14:

This publication includes statistics not included in previous publications. Combined low income and child material deprivation and in-work poverty estimates after housing costs have been included in the 2013/14 publication for the first time.





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RELATIVE POVERTY IN SCOTLAND 2013/14

BEFORE HOUSING COSTS	AFTER HOUSING COSTS
<p>730,000 people (14%) in Scotland were living in relative poverty in 2013/14</p> <p>-90K from 2012/13</p> 	<p>940,000 people (18%) were living in relative poverty in 2013/14</p> <p>-60K from 2012/13</p> 
<p>140,000 children (14%) in Scotland were living in relative poverty in 2013/14</p> <p>-40K from 2012/13</p> 	<p>210,000 children (22%) were living in relative poverty in 2013/14</p> <p>-10K from 2012/13</p> 
<p>440,000 working age adults (14%) in Scotland were living in relative poverty in 2013/14</p> <p>-40K from 2012/13</p> 	<p>600,000 working age adults (19%) were living in relative poverty in 2013/14</p> <p>-60K from 2012/13</p> 
<p>160,000 pensioners (15%) in Scotland were living in relative poverty in 2013/14</p> <p>+10K from 2012/13</p> 	<p>120,000 pensioners (12%) were living in relative poverty in 2013/14</p> <p>no change from 2012/13</p> 

IN WORK POVERTY

BEFORE HOUSING COSTS	AFTER HOUSING COSTS
<p>210,000 working age adults in poverty (48%) lived in working households in 2013/14</p> <p>-40K from 2012/13</p> 	<p>300,000 working age adults in poverty (50%) lived in working households in 2013/14</p> <p>-70K from 2012/13</p> 
<p>80,000 children in poverty (56%) lived in working households in 2013/14</p> <p>-30K from 2012/13</p> 	<p>120,000 children in poverty (56%) lived in working households in 2013/14</p> <p>-10K from 2012/13</p> 

Poverty before and after housing costs

The way in which housing costs are treated when measuring income has some important implications for poverty analysis and conclusions about the anti-poverty effects of policy reforms. This is because the number of people counted as poor (e.g. with income falling below a threshold) depends crucially on the income concept adopted. Housing benefit is included in income. Therefore, when rent values increase faster than income, while poverty before housing costs may decrease, poverty after housing costs may stay the same or increase, reflecting no improvement in standard of living. Within the UK, poverty is measured both before and after housing costs. There are a range measures of poverty, including absolute poverty and material deprivation – all to capture different dimensions of living standards.

Poverty before and after housing costs

Prior to welfare reform, it was recognised that housing benefit in the UK had a positive effect in reducing the link between housing poverty and income poverty. Up to 2011/12, while poverty after housing costs was higher than poverty before housing costs, the difference between the two measures was relatively stable. However, since 2011/12, there has been a divergence between relative poverty before and after housing costs. There have been a number of factors affecting this:

Housing benefit reforms:

In April 2011, the first reforms to housing benefit were implemented. This is particularly noticeable in 2013/14, which includes the reforms to housing benefit recipients in the social rented sector as well as those in the private rented sector.

The key changes to housing benefit were reducing local housing allowance (LHA) for those in private sector rental from the median local rent to the 30th percentile, freezing LHA rates in 2012, before uprating LHA capped by CPI inflation in 2013, removal of the £15 excess, restriction of LHA to the four bedroom rate, extension of the shared accommodation rate from under 25 year olds to under 35 year olds and the 'bedroom tax' for those in the social rented sector.

These reforms acted to reduce housing benefit for claimants – the reduction dependent on household circumstances. If rents increase and housing benefit continues to cover rent, then standards of living remain constant but poverty BHC may decrease as housing benefit is counted as income.

Evidence at the UK level showed the LHA reforms had reduced existing claimants' maximum entitlements in given property types, and the majority of the impact fell on tenants rather than landlords. In 2010, across the UK, 55 per cent of tenants were renting a property that cost more than the maximum LHA entitlement, and therefore had to contribute to their own rent. Following the reforms this had increased to 62 per cent (and 68 per cent for new claimants). Reforms had a greater impact on

those who had higher entitlements to start with. These include claimants in higher rent areas, lone parents, 25-34 year olds included in the extended scope of the Shared Accommodation Rate (SAR), and those affected by the national LHA caps and the abolition of the five-room rate.

Increases in rental values:

For households in employment, and so not in receipt of full housing benefit, poverty after housing costs increases if rent increases more quickly than earnings. In Scotland over the period 2010/11 to 2013/14, private sector rents (for a 2 bedroom property) have increased by 9 per cent, while those in social rented sector (registered social landlords only) have increased by 11 per cent. These increases in rental values are significantly higher than increases in gross annual earnings (slightly less than 6 per cent increase over the same period), and most working age benefits have been uprated in line with earnings in recent years.

However, it is important to note the level of social rents remains significantly below the level of private rents, so social rents are still helping households to be better off than if they were in the private sector.

Little change in mortgage interest rates:

Households further up the income distribution are more likely to own their own homes – either outright or with a mortgage. Mortgage interest rates have remained flat over the period. As relative poverty measures whether the standard of living for low income households (who are more likely to be in rented accommodation) is keeping pace with middle income households, tenure affects this. Housing costs for those in rental accommodation have been increasing at a faster rate than mortgage interest rates and income, meaning housing costs for low income households have been increasing more quickly than those for middle income households.

Chapter 1: Poverty

1.1 People in poverty

Key points:

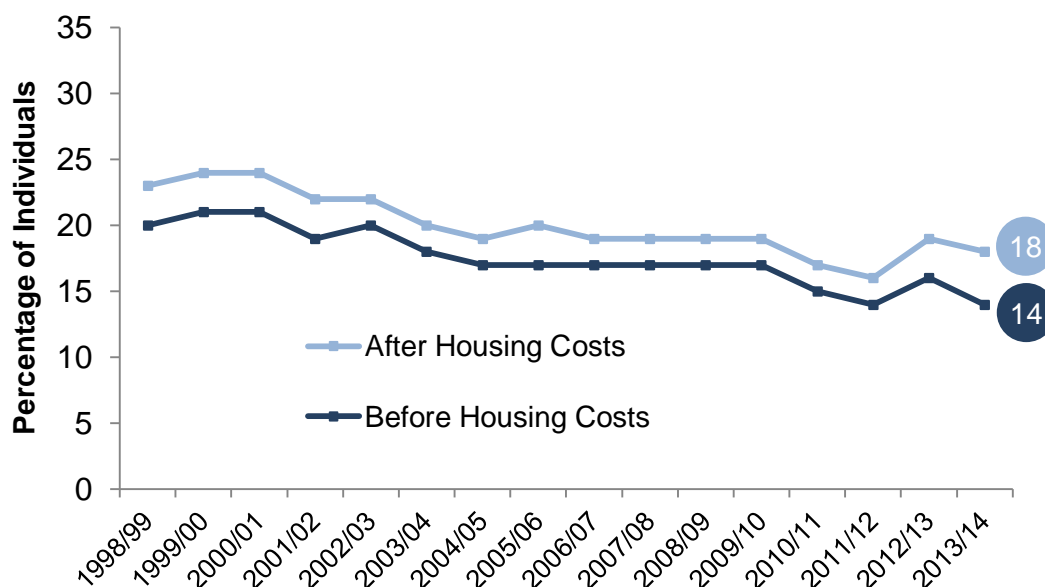
Relative Poverty before housing costs:

- 14 per cent of people in Scotland were living in relative poverty BHC, in 2013/14, a decrease from 16 per cent the previous year.
- In 2013/14, there were 730 thousand people in Scotland living in relative poverty BHC, 90 thousand fewer than in 2012/13.

After housing costs are taken into account:

- 18 per cent of people in Scotland were living in relative poverty, a decrease from 19 per cent in 2012/13.
- In 2012/13, there were 940 thousand people living in relative poverty AHC, 60 thousand fewer than in 2012/13.

Chart 1A – Relative Poverty – All Individuals



Source: HBAI dataset, DWP. See Annex 1 (Tables [A1](#) and [A2](#)) for the figures behind these charts. Confidence intervals for relative can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

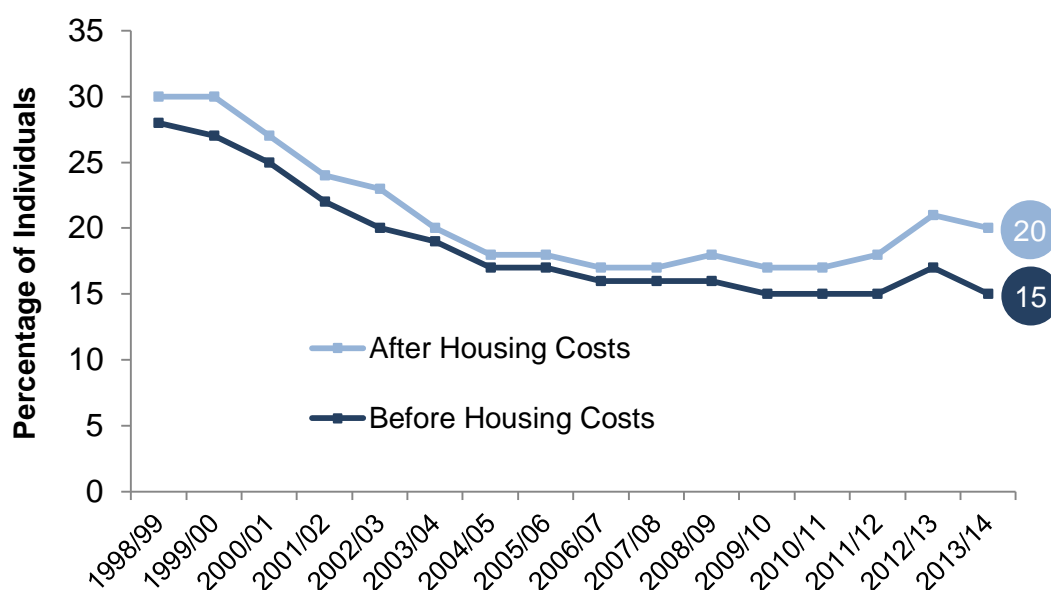
Relative poverty BHC for all individuals decreased to 14 per cent in 2013/14.

The change in the number and percentage of people in relative poverty BHC between 2012/13 and 2013/14 is not statistically significant. Longer term trends often offer a better indication of significant changes. Following a decrease from 18 per cent in 2003/04, poverty rates BHC remained unchanged at 17 per cent from 2004/05 to 2009/10. The level of relative poverty BHC then decreased to 14 per cent over the two years to 2011/12. Following an increase to 16 per cent in 2012/13, the rate of relative poverty BHC for all people in 2013/14 has returned to levels seen in 2011/12.

After Housing Costs have been taken into account, 18 per cent of people in Scotland were in relative poverty.

The change in the number and percentage of people in relative poverty AHC between 2012/13 and 2013/14 is not statistically significant. Relative poverty AHC had followed a similar trend to relative poverty BHC, remaining relatively unchanged between 2003/04 and 2009/10, followed by a decrease from 19 per cent to 16 over the two years to 2011/12. Relative poverty AHC also decreased in 2013/14, following an increase in 2012/13, but the gap between relative poverty before and after housing costs has widened and is now larger than it has been for more than decade (4 percentage points).

Chart 1B – Absolute Poverty – All Individuals



Source: HBAI dataset, DWP. See Annex 1 (Tables [A1](#) and [A2](#)) for the figures behind these charts.

Confidence intervals for relative and absolute poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Absolute poverty BHC, a measure of whether the lowest income households are keeping pace with inflation, has decreased to 15 per cent in 2013/14, a 2 percentage point decrease compared with 2012/13. In 2013/14 there were 800 thousand people living in absolute poverty BHC, 80 thousand fewer than the previous year. As absolute poverty is based on the poverty threshold in 2010/11, and incomes have decreased in real terms since then, absolute poverty rates are higher than relative poverty rates.

Absolute poverty after housing costs are taken into account has also decreased. In 2013/14, 20 per cent of people in Scotland were in absolute poverty AHC, a 1 percentage point decrease compared with 2012/13. In 2013/14, there were 1.03 million people living in absolute poverty AHC in Scotland, 70 thousand fewer than the previous year.

The gap between absolute poverty before and after housing costs has widened to 5 percentage points in 2013/14, an increase from 2 percentage points in 2010/11.

Commentary:

Relative poverty BHC decreased in 2013/14. This reflects increases in employment in Scotland and particularly increases in hours worked. There was a move into employment with increases in the number of working households in Scotland. For those already in employment, there has been a shift from part-time employment to full-time employment. 2013/14 also saw increases in hourly wages across Scotland, especially for those in lower-paid employment.

There was an increase in the personal tax allowance in 2013/14, and increases in working age benefits were largely in line with increases in earnings (but below inflation).

These factors have a varying impact on the rate of poverty with some, such as increasing the personal tax allowance, mitigating the impact of others, such as welfare reform implemented over the last three years. The net effect however is a decrease in relative poverty, following a move into employment and increases in hours worked.

There was an increase in median income in Scotland in 2013/14 compared with the previous year and most incomes deciles also saw either an increase or no change; the exception being the top decile, which decreased. The largest increases in 2013/14 were for those in the bottom two income deciles.

The Scottish Government currently uses two main indicators of low-income poverty, both of which reveal slightly different information about changes in poverty over time. These indicators are relative and absolute poverty.

Relative poverty:

Relative poverty is a measure of whether the incomes of the poorest are increasing in line with middle income households. In this report, individuals are said to be in relative poverty if they are living in households whose equivalised income is below 60 per cent of UK median income in that year. Relative low income rates fall if household income for the poorest households increases faster than median income. In 2013/14, the relative poverty threshold for a couple with no children was an income of £272 per week BHC from all sources (see Annex 2 for further information on income definitions). For a couple with children the threshold would be higher and for a single person (without children) the threshold would be lower. After housing costs, the relative poverty threshold in 2013/14 was £232 per week.

Absolute poverty:

Absolute poverty is a measure of whether income for the lowest income households are keeping pace with inflation. Individuals are said to be living in absolute poverty if they are living in households whose equivalised income is below 60 per cent of the (inflation adjusted) median income in 2010/11. In 2013/14 the absolute poverty threshold for a couple with no children was an income of £280 per week BHC from all sources (see Annex 2 for further information on income definitions). After housing costs, the absolute poverty threshold in 2013/14 was £242 per week.

Scotland Performs:

The Scottish Government's National Indicator 35 is to "decrease the proportion of individuals living in poverty":

<http://www.gov.scot/About/Performance/scotPerforms/indicator/poverty>

This is measured using relative poverty before housing costs.

1.2 Child poverty

Key points:

Relative Poverty before housing costs:

- 14 per cent of children in Scotland were living in relative poverty BHC in 2013/14, a decrease from 19 per cent the previous year. This decrease is statistically significant.
- In 2013/14, there were 140 thousand children in Scotland living in relative poverty BHC, 40 thousand fewer than in 2012/13.

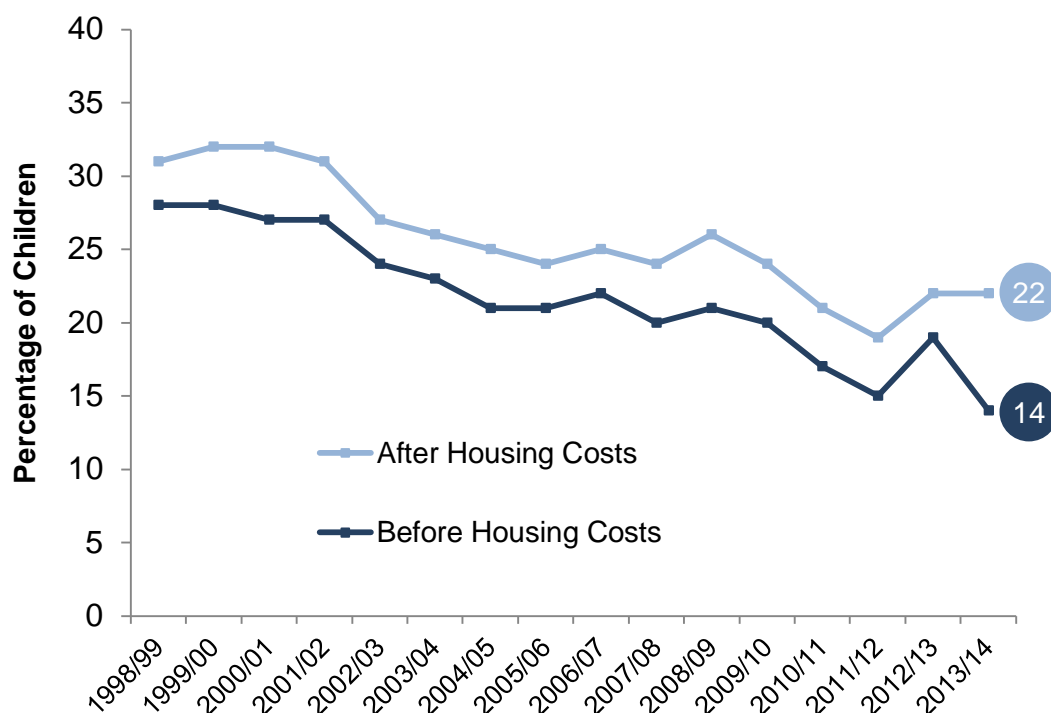
After housing costs are taken into account:

- After housing costs, 22 per cent of children in Scotland were living in relative poverty, unchanged from the previous year.
- In 2013/14, there were 210 thousand children living in relative poverty AHC, 10 thousand fewer than in 2012/13.

Low Income and Material Deprivation:

- In 2013/14, 13 per cent of children were living in combined low income BHC and material deprivation, an increase from 11 per cent the previous year. This equates to 130 thousand, 20 thousand more than the previous year.
- This increase continues the upward trend in child material deprivation seen over recent years.
- After housing costs, 14 per cent of children in Scotland were living in combined low income AHC and material deprivation, an increase from 12 per cent the previous year. This equates to 140 thousand children, 20 thousand more than the previous year.

Chart 2A – Relative Poverty - Children



Source: HBAI dataset, DWP. See [Annex 1](#) (Table [A1](#)) for the figures behind these charts.

Notes:

1. A version of these charts showing the Child Poverty Act targets can be found in [Annex 1](#), Chart [A1](#).
2. Confidence intervals for relative child poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

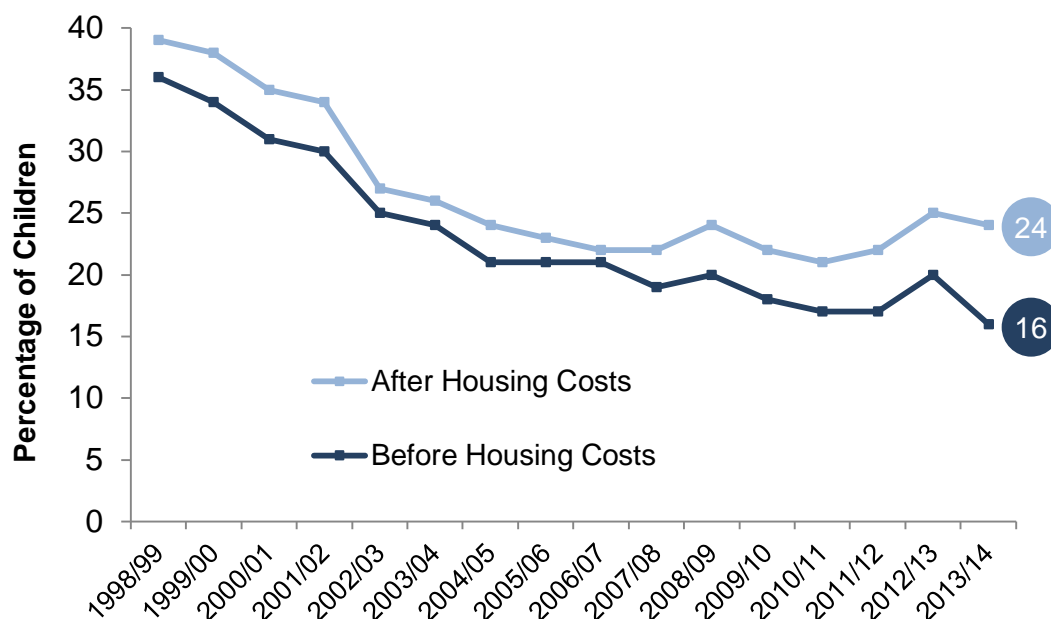
Relative child poverty BHC decreased to 14 per cent in 2013/14.

The change in the number and percentage of children in relative poverty BHC between 2012/13 and 2013/14 is statistically significant. Relative child poverty BHC saw a decreasing trend from 23 per cent in 2003/04 to 15 per cent in 2011/12. Following an increase to 19 per cent in 2012/13, child poverty in Scotland has fallen to 14 per cent in 2013/14. This is the lowest level of child poverty recorded by this series, which started in 1994/95.

After Housing Costs have been taken into account, 22 per cent of children in Scotland were in relative poverty.

Relative child poverty AHC had followed a similar trend to relative child poverty BHC, showing a decreasing trend from 26 per cent in 2003/04 to 19 per cent in 2011/12. However, following an increase to 22 per cent in 2012/13, relative child poverty AHC has remained at that level and did not see the decrease in the latest year that is seen before housing costs are taken into consideration. Because of this, the gap between relative child poverty before and after housing costs is now 8 percentage points, an increase from 3 percentage points the previous year.

Chart 2B – Absolute Poverty – Children



Source: HBAI dataset, DWP. See [Annex 1](#) (Table [A2](#)) for the figures behind these charts.

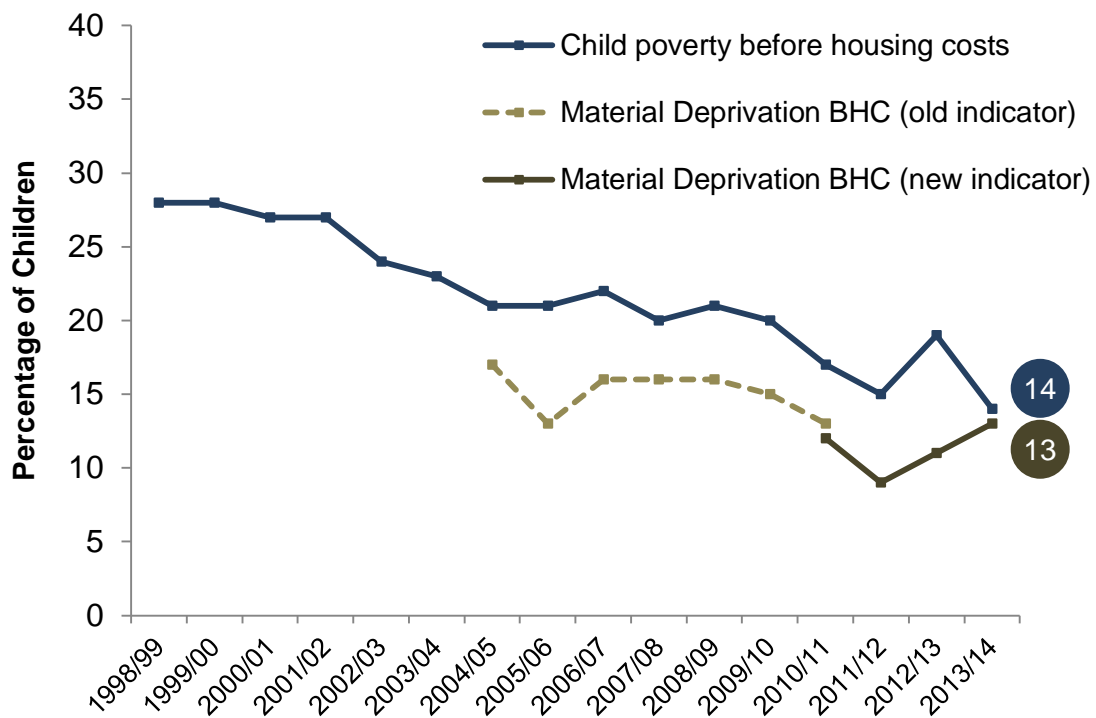
Confidence intervals for absolute child poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Absolute child poverty BHC has decreased to 16 per cent in 2013/14, a 4 percentage point decrease compared with 2012/13. In 2013/14 there were 150 thousand children living in absolute poverty BHC, 50 thousand fewer than the previous year.

Absolute child poverty has also decreased **after housing costs** are taken into account. In 2013/14, 24 per cent of children in Scotland were in absolute poverty AHC, a 1 percentage point decrease compared with 2012/13. In 2013/14, there were 240 thousand children living in absolute poverty AHC in Scotland, 10 thousand fewer than the previous year.

As with relative child poverty, the gap between absolute poverty before and after housing costs has widened. In 2013/14, the gap was 8 percentage points, an increase from 5 percentage points in 2012/13.

Chart 2C – Material deprivation and low income BHC combined and relative poverty before housing costs - Children

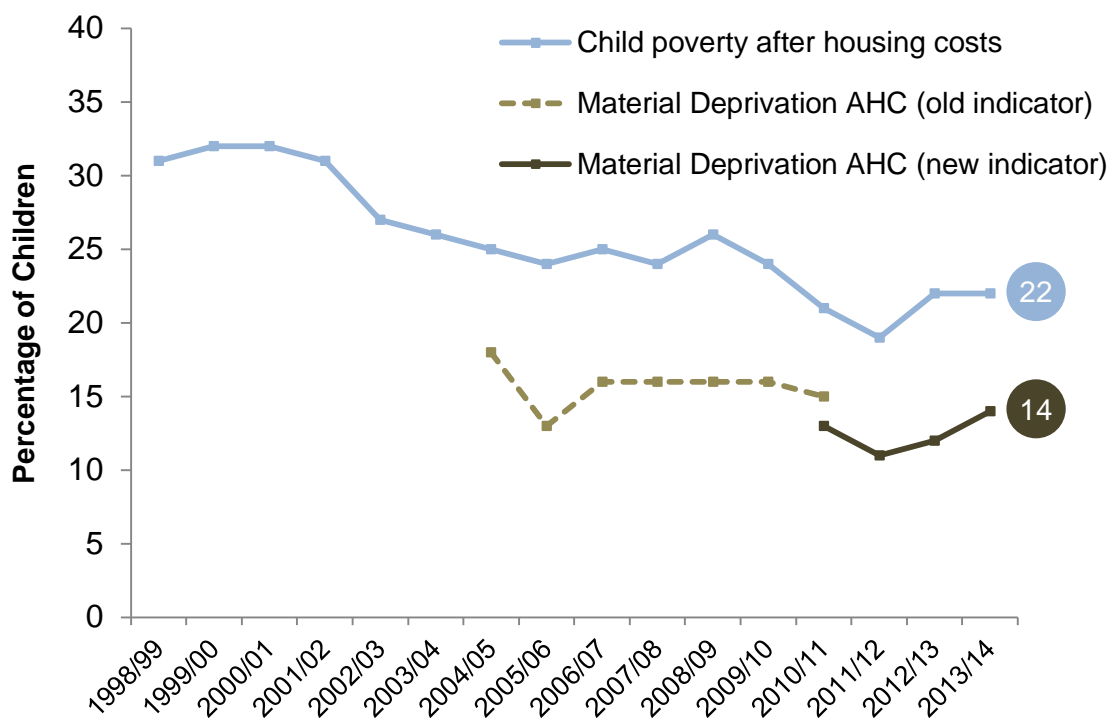


Source: HBAI dataset, DWP. See [Annex 1](#) (Tables [A1](#) and [A3](#)) for the figures behind these charts.

Notes:

1. A version of these charts showing the Child Poverty Act targets can be found in [Annex 1](#), Chart [A1](#).
2. Changes in the material deprivation questions in 2010/11 created a break in the series. Data for 2010/11 onwards is not directly comparable with that prior to 2010/11. Further information is available in [Annex 2](#).

Chart 2D –Material deprivation and low income AHC combined and relative poverty after housing costs - Children



Source: HBAI dataset, DWP. See [Annex 1](#) (Tables [A1](#) and [A4](#)) for the figures behind these charts.

Notes:

1. A version of these charts showing the Child Poverty Act targets can be found in [Annex 1](#), Chart [A1](#).
2. Changes in the material deprivation questions in 2010/11 created a break in the series. Data for 2010/11 onwards is not directly comparable with that prior to 2010/11. Further information is available in [Annex 2](#).

In 2013/14, 13 per cent of children in Scotland were living in **combined low income BHC and material deprivation**. This continues the increasing trend over recent years, with 40 thousand more children living in combined low income BHC and material deprivation than in 2011/12.

14 per cent of children in Scotland were living in **combined low income AHC and material deprivation**. This continues the increasing trend in child material deprivation and low income AHC seen over recent years, with 30 thousand more children living in combined low income AHC and material deprivation than in 2011/12.

Commentary:

Despite decreases in child poverty before housing costs, poverty after housing costs remains high and there is a trend emerging of increasing material deprivation for those on low incomes.

Over the last decade, the proportion of children in Scotland living in relative poverty BHC had decreased by 8 percentage points from 23 per cent in 2003/04 to 15 per cent in 2011/12, before increasing to 19 per cent in 2012/13. This has decreased to 14 per cent in 2013/14.

Much of the fall in relative child poverty before housing costs in 2013/14 reflects the improved economic circumstances. The latest year has seen increases in employment and a shift from part-time employment to full-time employment. There has also been an increase in lone parent employment rates in Scotland. Employment remains the best route out of poverty, and increases in employment, particularly full-time employment, have increased household income for families with children.

While benefits and earnings increased at about the same rate, but below inflation, increases in employment, particularly for families with children, have increased household income. Additionally, the increase in the personal tax allowance increased net income for those in employment (and earning above the threshold).

However, despite increases in income, child poverty rates after housing costs have not decreased in 2013/14. Changes to housing benefit and increases in both private sector and social sector rents greater than increases in earnings mean that while incomes increased, there was not necessarily any improvement in standards of living.

Material Deprivation and Low Income Combined Poverty Indicator:

Combined low income and child material deprivation is an additional way of measuring living standards and refers to the inability of households to afford basic goods and activities that are seen as necessities in society. It is a more direct measure of poverty than income alone, as it captures changes in standard of living.

Material deprivation is calculated from a suite of questions in the Family Resources Survey about whether people can afford to buy certain items and participate in leisure or social activities. This measure is applied to households with incomes below 70 per cent of UK median income (£317 per week) to create the 'material deprivation and low income combined' indicator. This indicator aims to provide a measure of children's living standards which, unlike relative and absolute poverty, is not solely based on income.

For more detail about this indicator see [Annex 2](#).

Child Poverty Act:

The 2010 Child Poverty Act, which the UK parliament is required to report on, includes 4 indicators of child poverty. Included in this section are 3 of these indicators at Scotland level:

- relative poverty BHC,
- absolute poverty BHC,
- material deprivation and low income BHC combined.

There is also a persistent poverty indicator in the Act. It is expected that statistics to measure this target will be available at the end of 2015. Information on the targets for the Child Poverty Act can be found in [Annex 1](#).

Scotland Performs:

The Scottish Government's National Indicator 36 is to "reduce children's deprivation":

<http://www.gov.scot/About/Performance/scotPerforms/indicator/childdeprivation>

This is measured using the material deprivation and low income BHC combined poverty indicator.

1.3 Working age adult poverty

Key points:

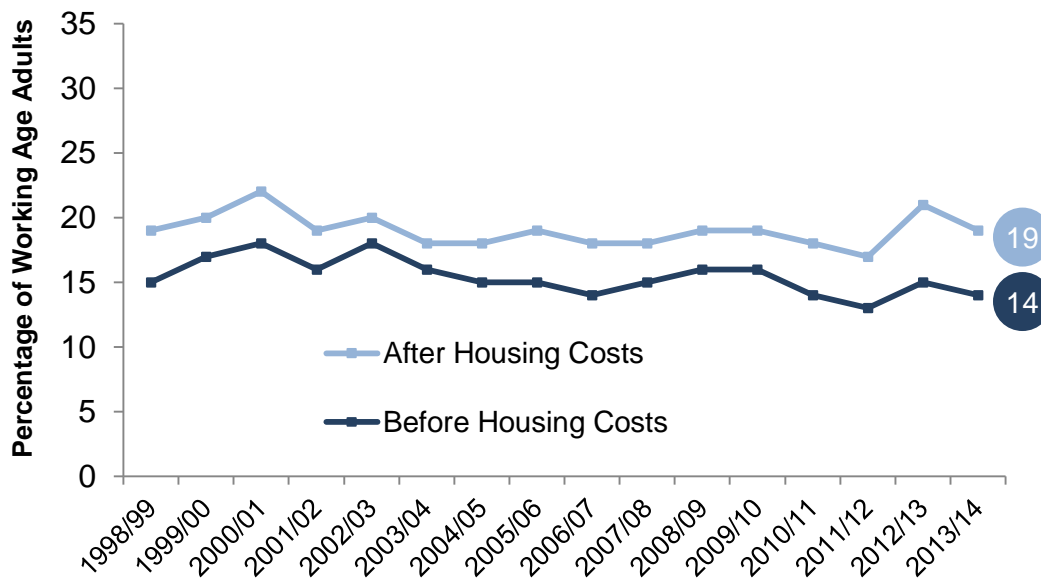
Relative Poverty before housing costs:

- 14 per cent of working age adults in Scotland were living in relative poverty BHC in 2013/14, a decrease from 15 per cent the previous year.
- In 2013/14, there were 440 thousand working age adults in Scotland living in relative poverty BHC, 40 thousand fewer than in 2012/13.

After housing costs are taken into account:

- 19 per cent of working age adults in Scotland were living in relative poverty, a decrease from 21 per cent the previous year.
- In 2013/14, there were 600 thousand working age adults living in relative poverty AHC, 60 thousand fewer than in 2012/13.

Chart 3A - Relative Poverty – Working Age Adults



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table A1).

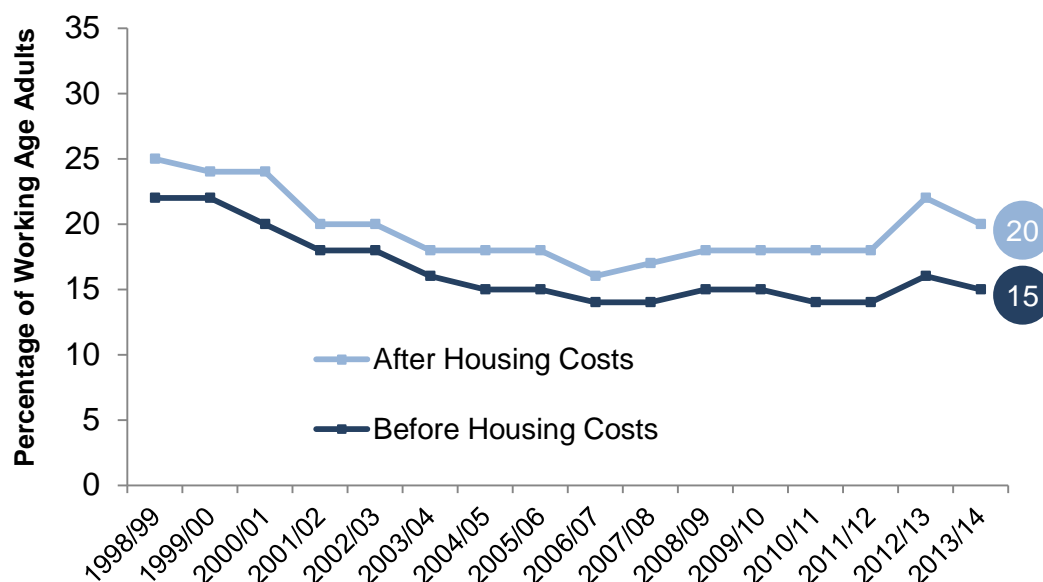
Confidence intervals for relative working age adult poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Relative poverty BHC for working age adults decreased to 14 per cent in 2013/14. The change in the number and percentage of working age adults in relative poverty BHC between 2012/13 and 2013/14 is not statistically significant. The trend for working age adults in relative poverty BHC has been gradually

decreasing over the last decade with poverty rates before housing costs decreasing from 16 per cent a decade ago to 13 per cent in 2011/12, before increasing again.

After Housing Costs have been taken into account, 19 per cent of working age adults in Scotland were in relative poverty. The change in the number and percentage of working age adults in relative poverty AHC between 2012/13 and 2013/14 is not statistically significant. Relative poverty AHC had followed a similar trend to relative poverty BHC, remaining between 17 and 19 per cent between 2003/04, before increasing to 21 per cent in 2012/13. In 2013/14, it has returned to 19 per cent. As with relative poverty for other groups, the gap between poverty rates before and after housing costs has increased in recent years. The gap had been 3 percentage points for the 3 years to 2009/10 before widening to 6 percentage points in 2012/13. The gap decreased to 5 percentage points in 2013/14.

Chart 3B - Absolute Poverty – Working Age Adults



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A2](#)).

Confidence intervals for absolute working age adult poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Absolute poverty for working age adults BHC has decreased to 15 per cent in 2013/14, a 1 percentage point decrease compared with 2012/13. In 2013/14 there were 480 thousand working age adults living in absolute poverty BHC, 30 thousand fewer than the previous year.

Absolute poverty after housing costs are taken into account has also decreased. In 2013/14, 20 per cent of people in Scotland were in absolute poverty AHC, a 2 percentage point decrease compared with 2012/13. In 2013/14, there were 650 thousand people living in absolute poverty AHC in Scotland, 60 thousand fewer than the previous year.

The gap between absolute poverty before and after housing costs has been the same as that for relative poverty since 2007/08. The gap had been 3 percentage points for the 3 years to 2009/10 before widening to 6 percentage points in 2012/13. The gap decreased to 5 percentage points in 2013/14.

Commentary:

The percentage of working age adults in relative poverty BHC has recorded a gradual decrease through the last decade.

Over the year to March 2014, there was an increase in the number of adults in employment compared with the previous year and unemployment decreased. There was also an increase in the number of hours worked, with a shift from part-time to full-time employment, and from self-employment, which has a higher risk of poverty, into paid employment. The percentage of those in poverty in part-time employment halved from 16 per cent to 8 per cent. In 2013/14, Scotland also saw increases in hourly pay. For those in employment, earnings increased, particularly for the lowest paid 20 per cent of employees. Combined with increases in the percentage of people living in households where all adults were working full-time, incomes at the bottom of the distribution have increased and poverty has decreased.

Employment remains the best route out of poverty, and for those in employment the two key reasons for moving out of poverty are increases in hourly pay and increases in hours worked, both of which have happened in Scotland in 2013/14.

For those not in employment, increases in key working age benefits in 2013/14 were largely in line with median earnings, but below inflation.

Working age vs. State pension age:

Working age adults are defined as all adults up to the state pension age. Prior to April 2010, women reached the state pension age at 60. Between April 2010 and March 2016 the state pension age for women is increasing to 63 and will then increase to 65 between April 2016 to November 2018. At this point the state pension age for men and women will be the same. The changes do not affect the state pension age for men, which remains at 65. The impact is to retain more women in the working age adult group, who in previous years would have been classified as pensioners.

1.4 Pensioner poverty

Key points:

Relative Poverty before housing costs:

- 15 per cent of pensioners in Scotland were living in relative poverty BHC in 2013/14, unchanged from the previous year.
- In 2013/14, there were 160 thousand pensioners in Scotland living in relative poverty BHC, 10 thousand more than in 2012/13.

After housing costs are taken into account:

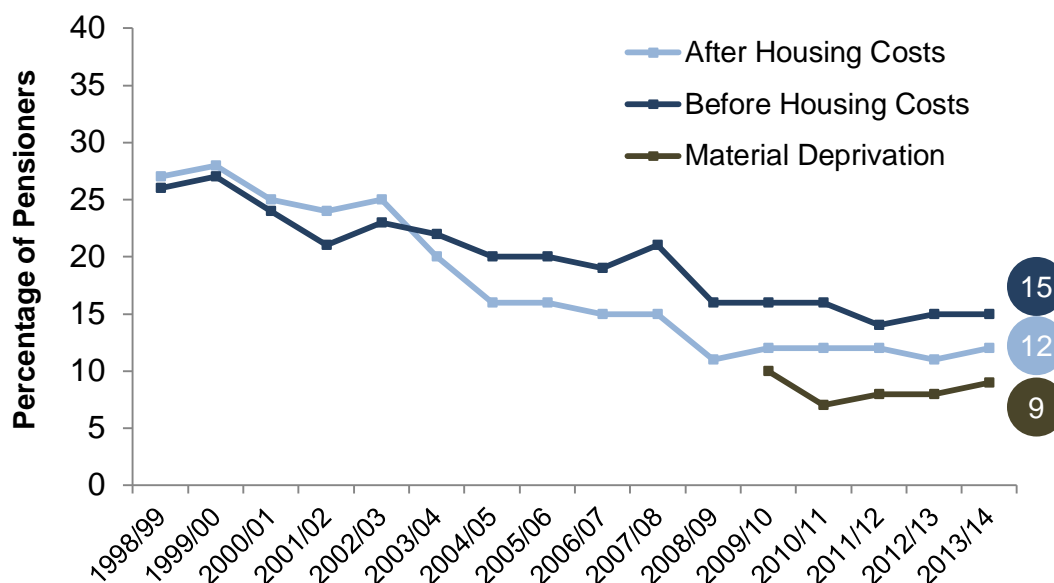
- 12 per cent of pensioners in Scotland were living in relative poverty AHC, an increase from 11 per cent the previous year.
- In 2013/14, 120 thousand pensioners were living in relative poverty AHC, the same number as the previous year.

Material Deprivation:

- In 2013/14, 9 per cent of pensioners were living in material deprivation, an increase from 8 per cent the previous year. In 2013/14, there were 80 thousand pensioners in Scotland living in material deprivation, 10 thousand more than the previous year.

The majority of pensioners own their own home, so for this reason the preferred measure of low income for pensioners is based on incomes measured AHC. Examining pensioners' incomes compared to others after deducting housing costs allows for more meaningful comparisons of income between working age people and pensioners, and the pensioner population over time.

Chart 4A – Relative Poverty and Material Deprivation - Pensioners



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Tables [A1](#) and [A5](#)). Confidence intervals for relative pensioner poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Notes:

1. Pensioner material deprivation is not solely based on affordability and so should not be compared directly with measures of income-related poverty.
2. Pensioner material deprivation is included for those aged 65 and over only and therefore is not the same population as relative and absolute poverty measures.

Relative poverty BHC for pensioners was 15 per cent in 2013/14.

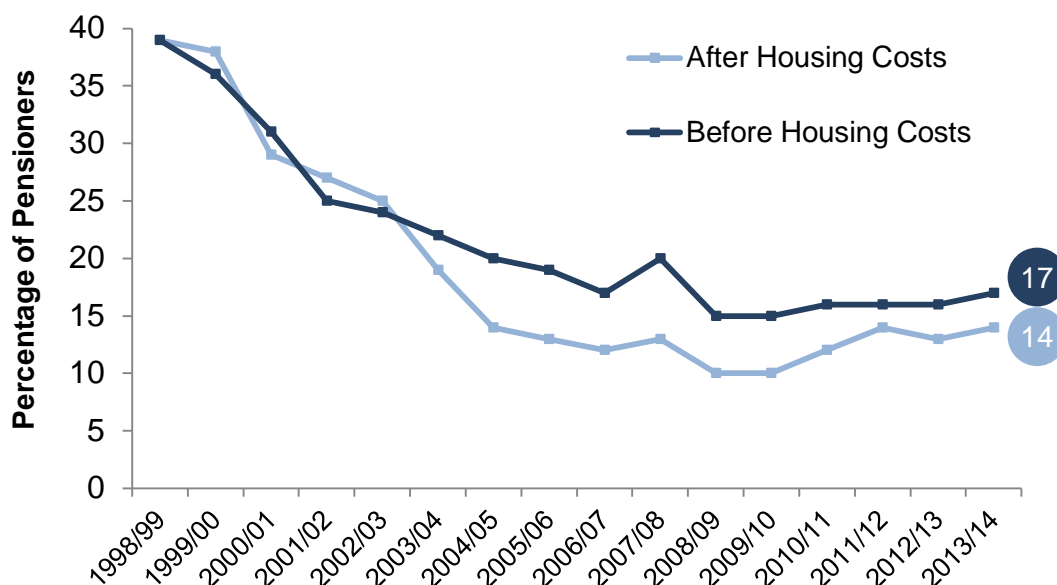
The change in the number of pensioners in relative poverty BHC between 2012/13 and 2013/14 is not statistically significant. Pensioner relative poverty BHC decreased from 22 per cent in 2003/04 to a low of 14 per cent in 2011/12 and has remained stable since then.

After Housing Costs have been taken into account, 12 per cent of pensioners in Scotland were in relative poverty.

The change in the percentage of pensioners in relative poverty AHC between 2012/13 and 2013/14 is not statistically significant. Relative pensioner poverty AHC, having been higher than relative poverty BHC in 2002/03, decreased faster than relative pensioner poverty BHC. Relative pensioner poverty AHC decreased from 25 per cent in 2002/03 to 11 per cent in 2008/09 and has been lower than relative poverty BHC since 2003/04. It has remained stable since 2008/09.

Pensioner material deprivation increased to 9 per cent in 2013/14, a 1 percentage point increase on the previous year. Having decreased from 10 per cent in 2009/10 to 7 per cent in 2010/11, there has been a small increase since then to 2013/14, but still below the level seen in 2009/10.

Chart 4B - Absolute Poverty – Pensioners



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A2](#)).

Confidence intervals for absolute pensioner poverty can be found in [Confidence Intervals Surrounding Key Poverty Estimates](#).

Absolute pensioner poverty BHC has increased to 17 per cent in 2013/14, a 1 percentage point increase compared with 2012/13. In 2013/14 there were 170 thousand pensioners living in absolute poverty BHC, the same as in 2012/13.

Absolute poverty after housing costs are taken into account has also increased. In 2013/14, 14 per cent of pensioners in Scotland were in absolute poverty AHC, a 1 percentage point increase compared with 2012/13. In 2013/14, there were 140 thousand pensioners living in absolute poverty AHC in Scotland, the same as in 2012/13.

Unlike for other groups of the population, the gap between absolute poverty before and after housing costs has narrowed in recent years to 3 percentage points in 2013/14, a decrease from 7 percentage points in 2007/08. Between 2004/05 and 2009/10, absolute pensioner poverty AHC was between 5 and 7 percentage points lower than absolute pensioner poverty BHC. This gap narrowed from 2010/11 onwards.

Commentary:

Over the last decade, the proportion of pensioners in Scotland in relative poverty BHC has fallen 7 percentage points from 22 per cent in 2003/04 to 15 per cent in 2013/14. However, poverty rates for pensioners have been relatively stable since 2008/09.

Households containing pensioners at the lower end of the income distribution generally received a larger proportion of their income from benefits and a smaller proportion from other sources. The Basic State Pension (BSP) increased by 2.5

per cent and Pension Credit Guarantee Credit increased by 1.9 per cent, larger than increases in other benefits and tax credits but still below the level of RPI inflation in 2013/14 (2.9 per cent). While increases in earnings contributed to the decrease in poverty rates for other groups, pensioner poverty remained unchanged due to the relative importance of BSP and other benefits to pensioner incomes at the bottom of the income distribution.

Median income BHC for families with children has decreased every year since 2009/10. While median income BHC for pensioners has also shown decreases over the same period, the decreases have been smaller than that for families with children. Median income for families with children has fallen by 11 per cent since 2009/10, compared with a 5 per cent fall in pensioner median income, meaning in 2013/14 median income for families with children was similar to that for pensioners.

State pension age:

Pensioners are defined as all those adults above State Pension age. Prior to April 2010, women reached the state pension age at 60. Between April 2010 and March 2016 the state pension age for women is increasing to 63 and will then increase to 65 between April 2016 to November 2018. At this point the state pension age for men and women will be the same. The changes do not affect the state pension age for men, which remains at 65. Therefore, as with the previous three reports, the age groups covered by the analysis pensioner poverty will change for the 2013/14 report. The impact is that more women will remain in the working age adult group, who in previous years would have been classified as pensioners.

The pensioner material deprivation statistics will continue to be based on pensioners aged 65 and over.

Pensioner Material Deprivation Indicator:

Pensioner material deprivation is an additional way of measuring living standards for pensioners. It focuses on access to specific goods, services and experiences. It is used to explore a broader definition of pensioner poverty and captures both financial and non-financial reasons for being in material deprivation. Pensioner material deprivation captures whether it is health or disability, or if someone is available to help them, that prevents access to goods and services, rather than solely low income.

This measure is based on a set of goods, services and experiences, judged using academic research to be the best discriminators of deprivation. Pensioners are asked if they have an item (or access to a service) and to give a reason if they do not have it. Their responses are then used to judge whether or not they are materially deprived. It is similar to the child material deprivation and low income combined indicator (which is presented in Charts 2C and 2D) but has some important differences:

- Differences in the set of items asked about, e.g. pensioners are not asked if they can afford school trips.
- Pensioners are presented with a greater variety of reasons for not having a particular item, whereas households with children are simply asked whether they can afford an item they do not have. Pensioners are able to say if they are prevented from having it due to ill health, disability or lack of support from other people. These additions reflect that deprivation can occur because of ill health, disability or social isolation, and not just for financial reasons.
- The pensioner “material deprivation” indicator is not combined with household income information to produce a combined indicator, as is done with the child deprivation indicator. This is because for pensioners, the concept of material deprivation is broad and very different from low income, so it is appropriate to present it as a separate measure.

For these reasons, pensioner material deprivation cannot be directly compared to the child material deprivation and low income measure.

More background on pensioner material deprivation is given in [Annex 2](#), and the following technical note on the DWP website gives further information, including the list of questions which are asked to pensioners:

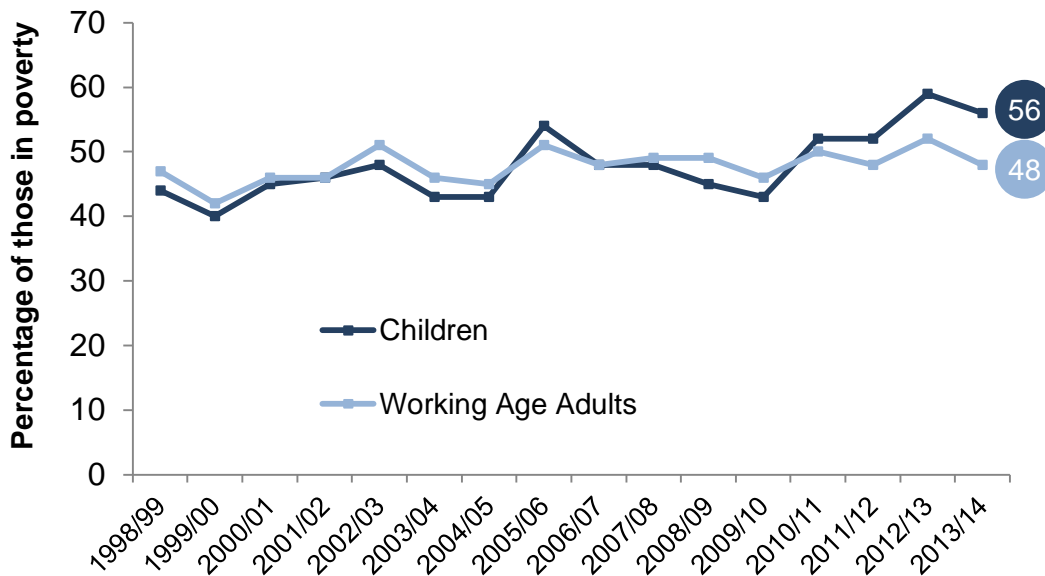
<https://www.gov.uk/government/publications/households-below-average-income-hbai-technical-note-on-pensioner-material-deprivation>.

1.5 In-work relative poverty

Key points:

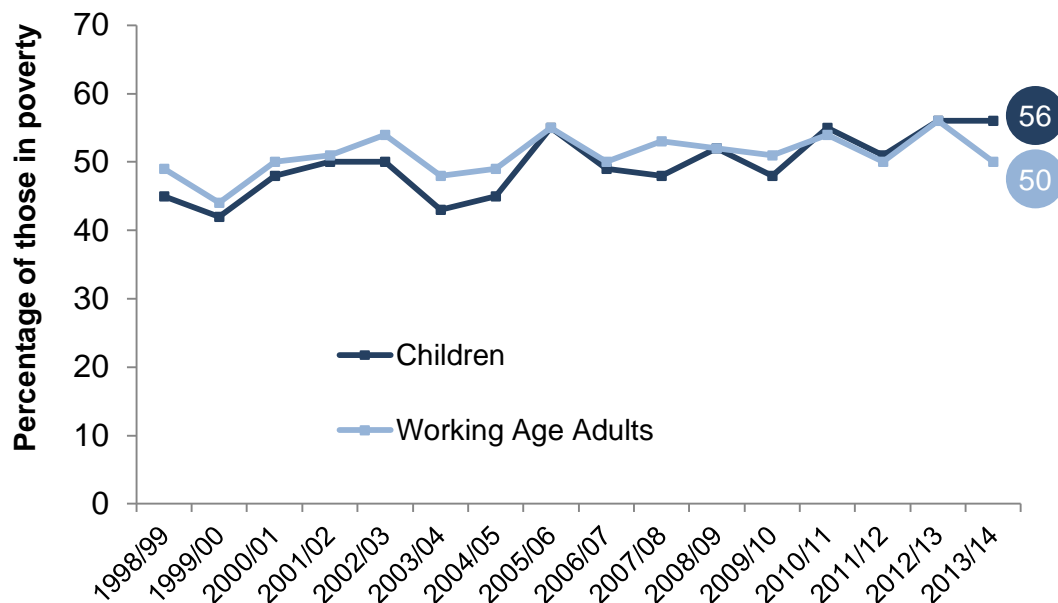
- In 2013/14, 48 per cent of working age adults in poverty BHC were living in working households, as were 56 per cent of children in poverty.
- In 2013/14, 50 per cent of working age adults in poverty AHC were living in working households, as were 56 per cent of children in poverty.

Chart 5A – Percentage of children and working age adults in poverty BHC, living in a household with at least one adult in employment



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A6](#)).

Chart 5B – Percentage of children and working age adults in poverty AHC, living in a household with at least one adult in employment



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A7](#)).

Commentary:

In-work poverty BHC in Scotland decreased in 2013/14, with 210 thousand working age adults in in-work poverty BHC - a decrease of 40 thousand compared with 2012/13. Just under half (48 per cent) of working age adults in poverty BHC were living in working households in 2013/14.

The number of children living in poverty BHC who were in working households has also decreased in the latest year, with 80 thousand children in Scotland living in working households in 2013/14. There were 30 thousand fewer children in in-work poverty BHC in 2013/14 compared with the previous year, returning to the number seen in 2011/12. However, over half (56 per cent) of children in poverty BHC in Scotland in 2013/14 were living in working households.

In-work poverty AHC decreased for working age adults but not for children. In 2013/14, child in-work poverty AHC remained at 56 per cent while working age adult in-work poverty BHC decreased from 56 to 50 per cent.

While the overall number of children living in relative poverty BHC has fallen over recent years, a greater proportion were living in working households. The fact that there remain 80 thousand children in in-work poverty BHC despite the overall number dropping means they make up a larger percentage of those in poverty BHC.

The two key reasons for moving out of in-work poverty are increases in hourly pay and increases in hours worked. In 2013/14, there were increases in hourly pay, particularly for the lowest paid 20 per cent of employees, and a shift from part-time employment to full-time employment, particularly for women. For men there has been a shift from self-employment, which has a higher risk of poverty, to paid employment.

In-work poverty:

'In-work poverty' refers to those individuals living in households where at least one member of the household is working (either full or part-time) but where the household income is below the relative poverty threshold. This measure is calculated on income before housing costs and after housing costs. This group contains non-working household members such as children and non-working partners.

Chapter 2: Income Inequality and the distribution of income

2.1 Income Inequality – the Gini coefficient

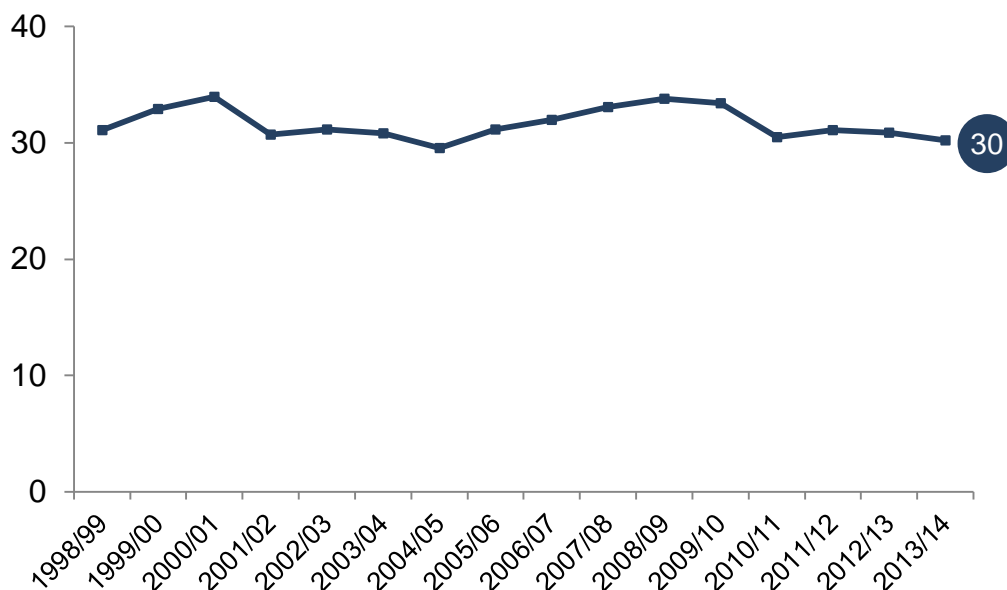
Key points:

- The Gini coefficient, which measures the degree of inequality in household income, was 30 in 2013/14. This is a decrease from 31 in 2012/13, mainly due to increases in incomes at the bottom of the distribution and decreases at the top.
- Income inequality, as measured by the Gini coefficient, has remained largely unchanged over the last four years.

The Gini coefficient is a measure of how equally income is distributed across the population. It takes a value between 0 and 100 with 0 representing perfect equality where every person has the same income. The larger the Gini coefficient, the more people towards the top of the income distribution have a greater share of overall income with a value of 100 representing the case where one individual has all the income. In practice, the proportion of overall income going to each individual increases gradually across the income distribution.

For Scotland, the Gini coefficient has been between 30 and 34 over the last decade. In 2013/14, the Gini coefficient for Scotland was 30, a 1 percentage point decrease compared with 2012/13.

Chart 6 – Inequality of household income as measured by the Gini coefficient



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A14](#)).

Income inequality in Scotland increased gradually until the onset of the recession. In 2010/11, income for the top 10 per cent fell, resulting in a reduction in income inequality. It has remained largely flat since then, with a small decrease in 2013/14 due to increases in incomes at the bottom of the distribution and decreases at the top.

2.2 Income distribution

Key points:

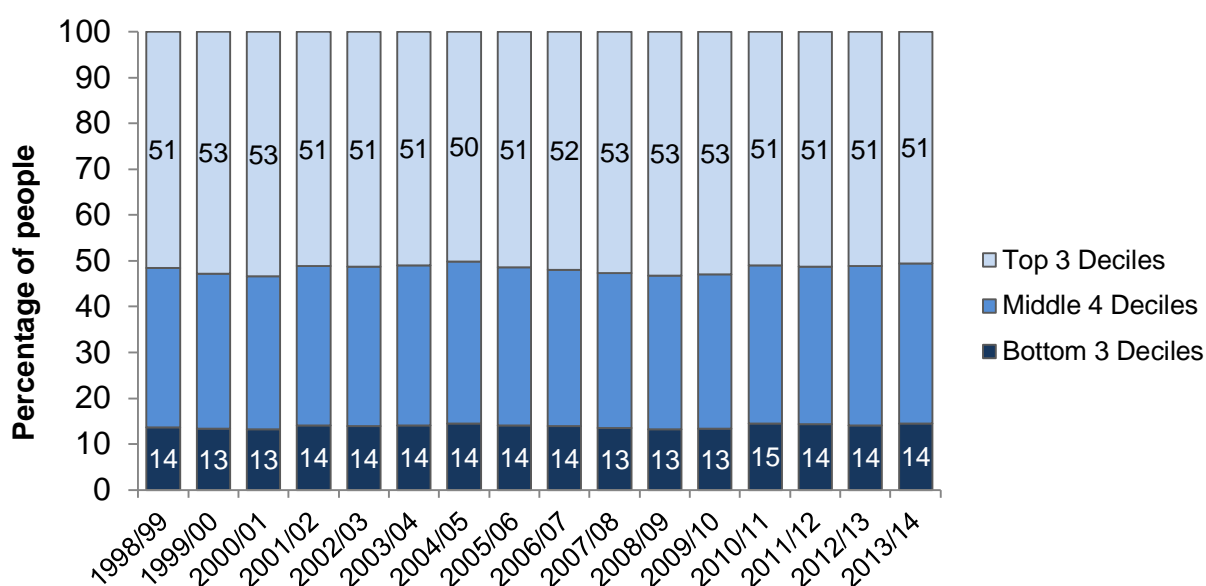
- The percentage of income received by the lowest 3 income deciles in 2013/14 was 14 per cent, unchanged from 2012/13. There has been very little change in this measure of income inequality since 1998/99.

This section provides information that relates to the Scottish Government’s Solidarity Purpose Target which is “to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017”. More information can be found at the following link:

<http://www.gov.scot/About/Performance/scotPerforms/purpose/solidarity>

Chart 7 shows the percentage of total income received by the three lowest income deciles (the thirty per cent of the population with the lowest incomes), from 1998/99 to 2013/14. It also shows the percentage of total income received by the three highest income deciles. This is another measure of how equally income is distributed across the population.

Chart 7 – Percentage of income going to the bottom and top three deciles



Source: HBAI dataset, DWP.

Commentary:

In 2013/14, the percentage of income received by households in the bottom 3 deciles was 14 per cent, unchanged from the previous 2 years.

Having dropped from 53 per cent to 51 per cent between 2009/10 and 2010/11, the percentage of income received by households in the top three income deciles has remained unchanged since then.

There has been no significant change in income inequality between 2012/13 and 2013/14 using this measure. Over the longer term it can be seen that there has been very little change in this indicator since 1998/99, with the percentage of income received by the bottom 3 deciles remaining between 13 and 15 per cent.

Deciles / decile points:

Deciles (or decile points) are the income values which divide the Scottish population, when ranked by income, into ten equal-sized groups. Therefore nine decile points are needed in order to form the ten groups. Decile is also often used as a shorthand term for decile group; for example 'the bottom decile' is used to describe the bottom ten per cent of the income distribution.

Decile groups:

These are groups of the population defined by the decile points. The lowest decile group is the ten per cent of the population with the lowest incomes. The second decile group contains individuals with incomes above the lowest decile point but below the second decile point.

2.3 Income thresholds

Key points:

- Median income in Scotland in 2013/14 was £24,000, equivalent to £460 per week. Median income in Scotland has increased in 2013/14, following three years of decreases.
- The poverty threshold BHC in 2013/14 was £14,200, equivalent to £272 per week. This was the same as the previous two years, meaning any changes in relative poverty reflect genuine changes in income and are not due to changes in UK median income.
- A couple with no children with a combined income of over £36,300 (after tax and benefits) would be in the highest income 20 per cent of the population. With an income over £44,300 they would be in the top 10 per cent.

Most of the income figures in this publication are based on equivalised income. One consequence of the [equivalisation](#) process is that there are different poverty thresholds for households of different sizes and compositions. To help readers understand the figures in this publication, Table 1 below presents some commonly used income thresholds, before equivalisation, for households of different sizes. The incomes presented elsewhere in this report use the value for "Couple with no children" as the standard, and all other household types are adjusted to reflect their different household composition. Table 2 shows the same information after housing costs have been taken into account.

Table 1 - Income thresholds (£) for different household types before housing costs (income after tax and transfers) – 2013/14

	Single person with no children		Couple with no children		Single person with children aged 5 and 14		Couple with children aged 5 and 14	
	weekly	annual	weekly	annual	weekly	annual	weekly	annual
UK median income (before housing costs)	304	15,800	453	23,600	544	28,400	693	36,100
Scottish median income (before housing costs)	308	16,100	460	24,000	551	28,800	703	36,700
60% of UK median income (before housing costs) - relative poverty threshold	182	9,500	272	14,200	326	17,000	416	21,700
60% of inflation adjusted 2010/11 UK median income (before housing costs) - absolute poverty threshold	188	9,800	280	14,600	336	17,500	428	22,300
Scottish 1st income decile	163	8,500	243	12,700	292	15,200	372	19,400
Scottish 2nd income decile	202	10,500	301	15,700	361	18,800	460	24,000
Scottish 3rd income decile	234	12,200	350	18,200	420	21,900	535	27,900
Scottish 4th income decile	267	13,900	399	20,800	479	25,000	611	31,800
Scottish 5th income decile	308	16,100	460	24,000	551	28,800	703	36,700
Scottish 6th income decile	350	18,300	523	27,300	628	32,700	800	41,700
Scottish 7th income decile	401	20,900	599	31,200	719	37,500	917	47,800
Scottish 8th income decile	466	24,300	695	36,300	834	43,500	1064	55,500
Scottish 9th income decile	569	29,700	849	44,300	1019	53,100	1299	67,700

Source: HBAI dataset, DWP.

Note: to create ten decile groups only nine decile points are needed to split the population.

Table 2 - Income thresholds (£) for different household types after housing costs (income after tax and transfers) – 2013/14

	Single person with no children		Couple with no children		Single person with children aged 5 and 14		Couple with children aged 5 and 14	
	weekly	annual	weekly	annual	weekly	annual	weekly	annual
UK median income (after housing costs)	259	13,500	386	20,100	464	24,200	591	30,800
Scottish median income (after housing costs)	275	14,300	411	21,400	493	25,700	628	32,800
60% of UK median income (after housing costs) - relative poverty threshold	155	8,100	232	12,100	278	14,500	355	18,500
60% of inflation adjusted 2010/11 UK median income (after housing costs) - absolute poverty threshold	162	8,500	242	12,600	291	15,100	370	19,300
Scottish 1st income decile	119	6,200	178	9,300	213	11,100	272	14,200
Scottish 2nd income decile	163	8,500	244	12,700	292	15,200	373	19,400
Scottish 3rd income decile	198	10,300	296	15,400	355	18,500	453	23,600
Scottish 4th income decile	234	12,200	349	18,200	419	21,800	534	27,800
Scottish 5th income decile	275	14,300	411	21,400	493	25,700	628	32,800
Scottish 6th income decile	313	16,300	468	24,400	561	29,300	715	37,300
Scottish 7th income decile	361	18,800	539	28,100	646	33,700	824	43,000
Scottish 8th income decile	423	22,100	631	32,900	757	39,500	966	50,400
Scottish 9th income decile	532	27,700	794	41,400	953	49,700	1215	63,300

Source: HBAI dataset, DWP.

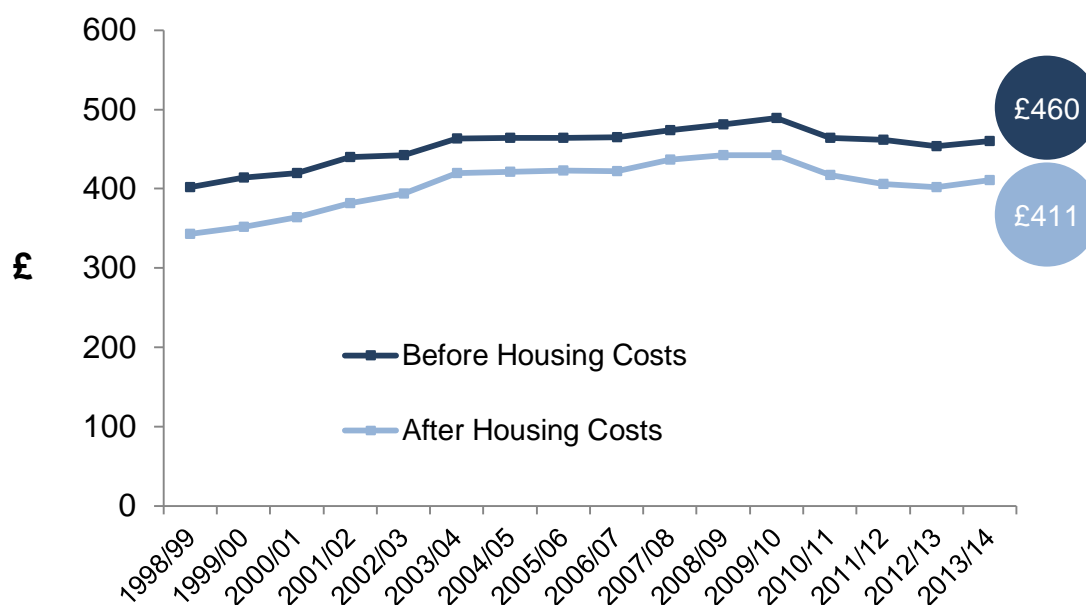
Note: to create ten decile groups only nine decile points are needed to split the population.

2.4 Trends in income distributions

Key points:

- Median household income increased in 2013/14, following three years of decreases.
- Median household income for working age adults increased in 2013/14, following three years of decreases. However median income for households with children decreased in 2013/14, the fourth consecutive annual decrease. Pensioner median household income decreased in 2013/14, following an increase in the previous year.
- In 2013/14, the bottom two deciles saw the largest increase in income compared to the previous year. However, they were still lower than in 2011/12 due to the large decreases in 2012/13.
- Incomes increased or stayed the same at all deciles apart from the top decile, which decreased in 2013/14. The top decile returned to the same level as in 2011/12 having seen the largest increase in 2012/13.

Chart 8A – Median weekly household income in Scotland (in 2013/14 prices)



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A8](#)).

Chart 8B – Median weekly household income BHC in Scotland for children, working age adults and pensioners (in 2013/14 prices)

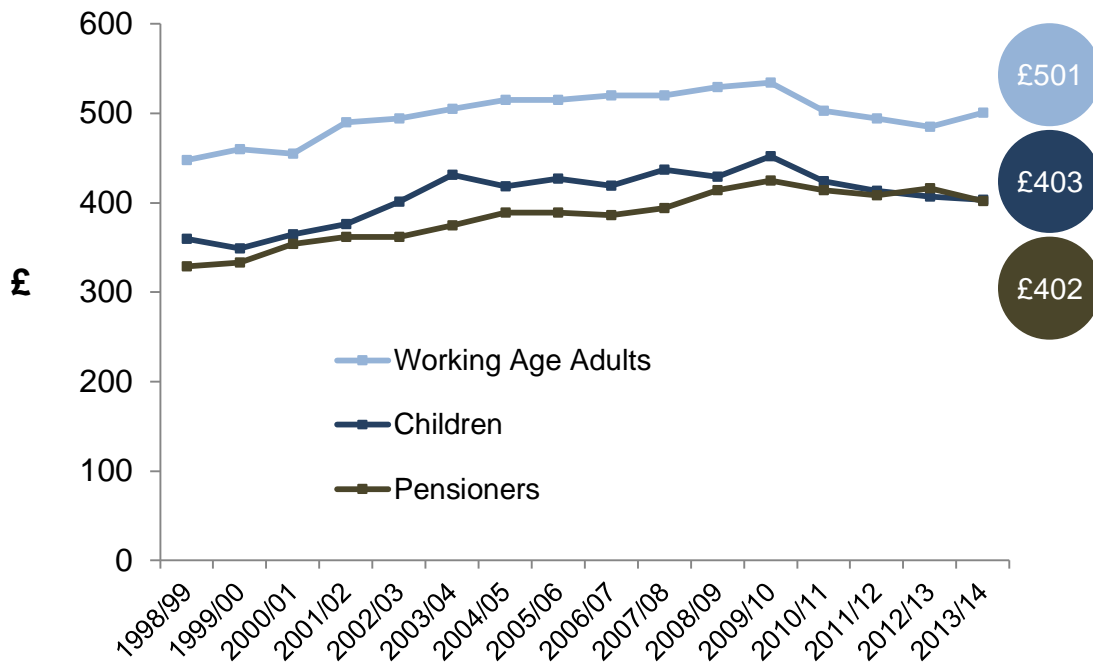
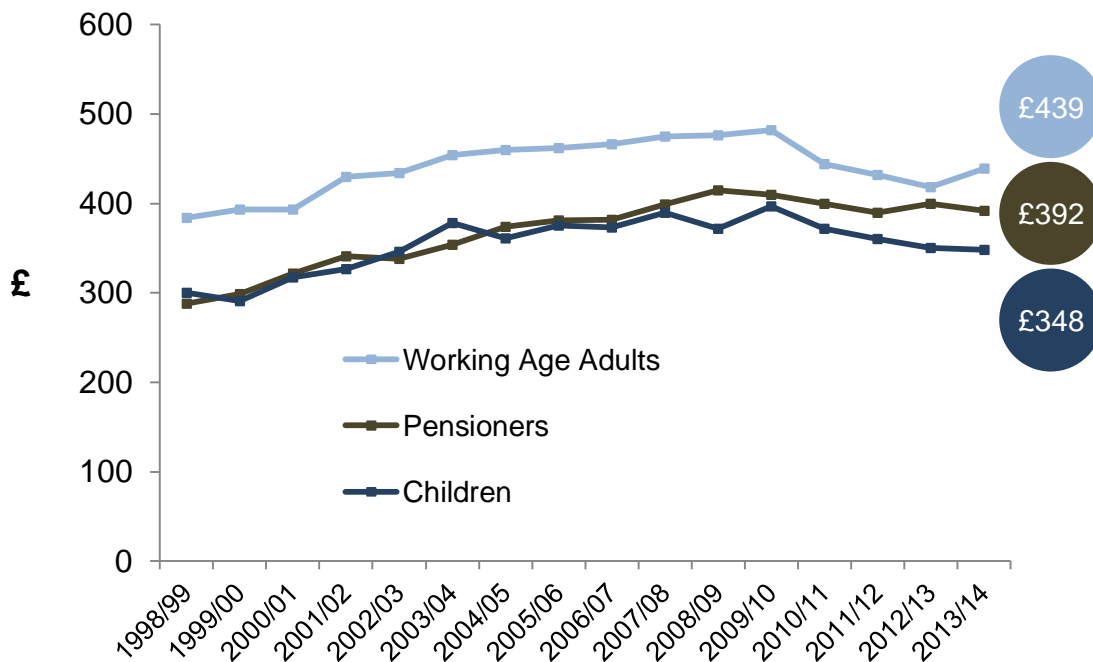


Chart 8C – Median weekly household income AHC in Scotland for children, working age adults and pensioners (in 2013/14 prices)



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A9](#)).

In 2013/14, median household income was £460 per week, an increase of £6 compared with 2012/13. This is the first increase in median income in Scotland since 2009/10. Median income had been increasing for the 10 years to 2009/10, then decreased for three years to 2012/13. The increase in median income in 2013/14 brings it back to the level seen in 2003/04 but still below the peak in 2009/10. All incomes are quoted in 2013/14 prices.

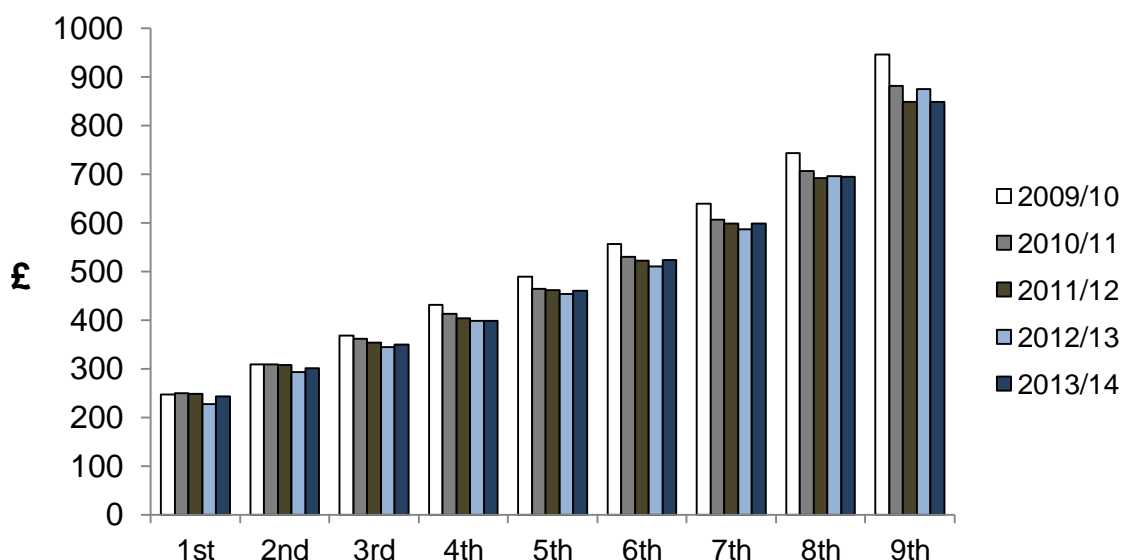
Commentary:

There was a gradual increase in median equivalised weekly household income BHC in Scotland to £489 in 2009/10. This was followed by 3 years of decreasing median incomes to £454 in 2012/13. Median income then increased to £460 in 2013/14 but this was smaller than the decrease in 2012/13 so the median income remained below the level of 2011/12.

The pattern is similar for median equivalised weekly household income AHC in Scotland, which was £343 in 1998/99, increasing to £442 in 2009/10, followed by annual decreases to 2012/13. Median income AHC increased in 2013/14 to £411, above the level in 2011/12 but below the level in 2010/11.

Chart 9 shows how the weekly equivalised incomes have changed from 2009/10 to 2013/14 across the different income decile points. Decile points are the incomes that separate out the 10 deciles, so 10 per cent of the population have household income below the 1st decile point and 90 per cent of the population have income below the 9th decile point.

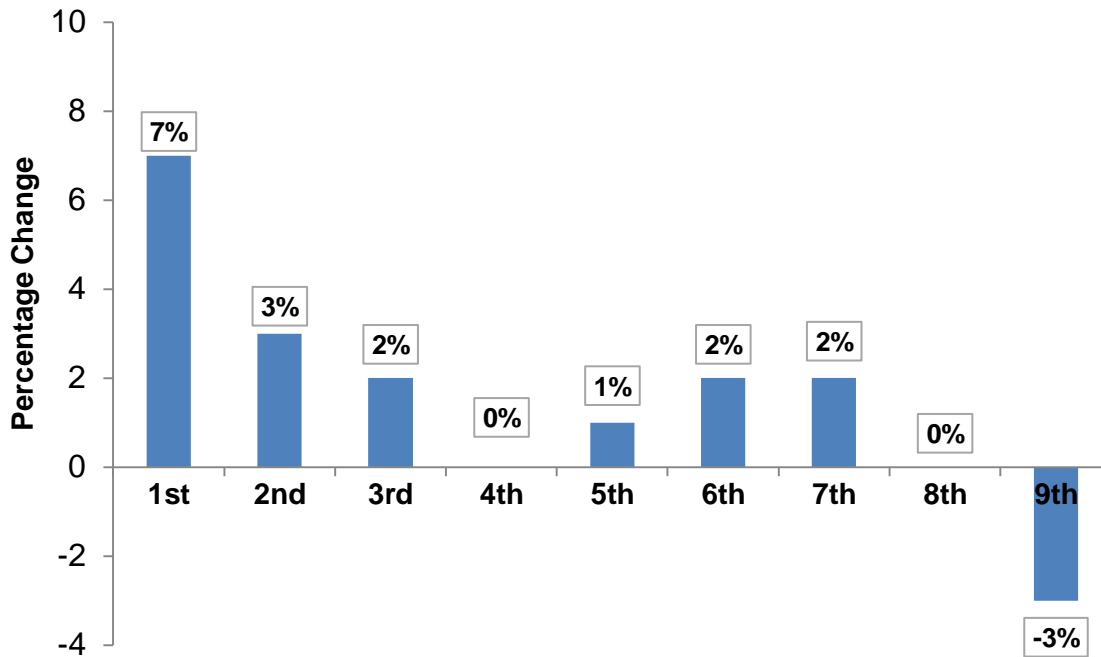
Chart 9 – Weekly household incomes for each decile point from 2009/10 to 2013/14



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A10](#)).

Incomes increased or saw no change at all deciles apart from the top decile in 2013/14. The top decile decreased to the same level as in 2011/12 having seen the largest increase in 2012/13. The bottom two deciles saw the largest increases, with little or no change for households across the middle of the income distribution.

Chart 10 – Percentage change in each decile point between 2012/13 and 2013/14 (in real prices)



Source: HBAI dataset, DWP.

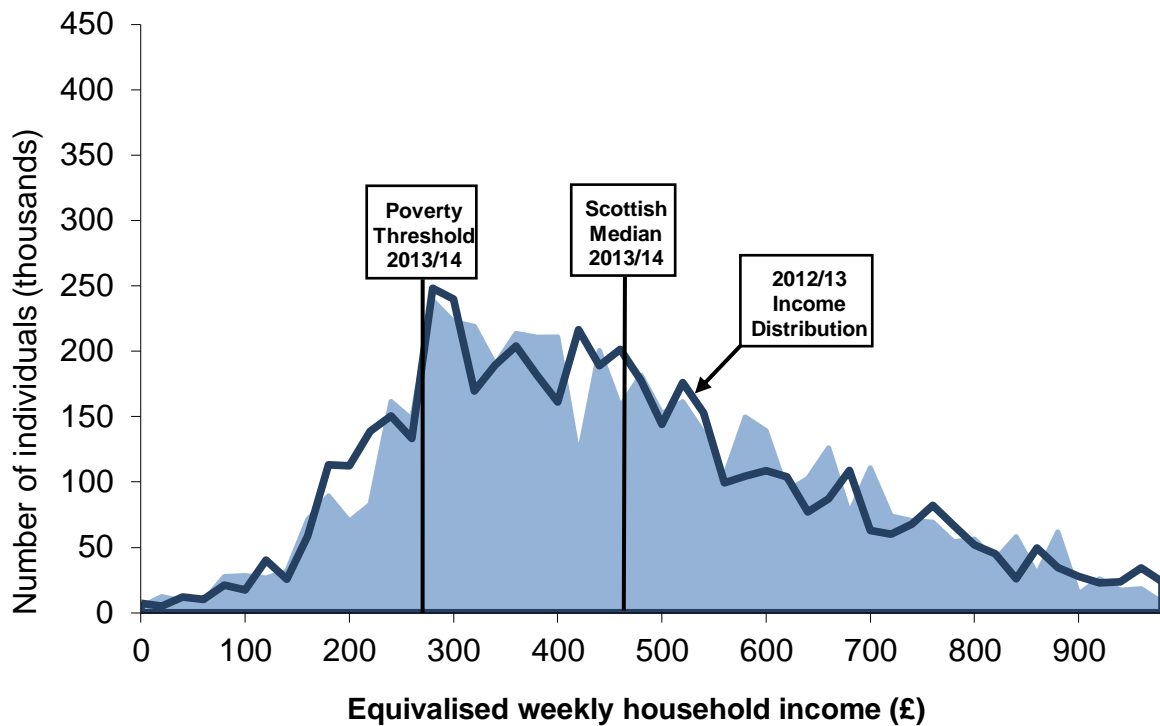
In 2013/14, the bottom two deciles saw the largest percentage increases. However they were still below the level of 2011/12 due to the decreases in 2012/13 being larger than the increases in the most recent year.

The only deciles that were at or above the level of 2011/12 were the top 4 deciles. The decrease in income at the top decile offset the increase in 2012/13, and so this has returned to the level seen in 2011/12, £849 per week (£44,300 per year).

Chart 11 below shows the distribution of weekly income across Scotland in 2013/14. The shaded area shows the shape of the 2013/14 income distribution and the black lines show the Scottish median income (£460) and the relative poverty threshold BHC (£272). The dark blue line superimposed shows the 2012/13 income distribution for comparison.

Chart 11 – Distribution of weekly household income with Scottish median and relative poverty threshold BHC - 2013/14

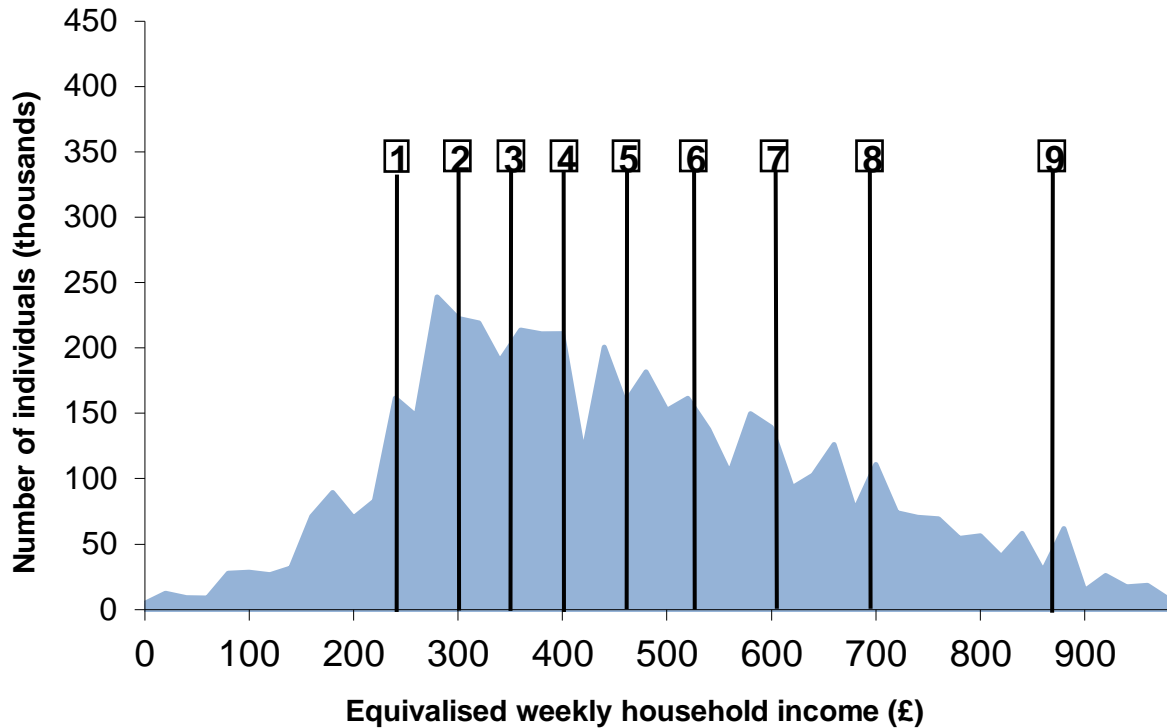
for children, working age adults and pensioners



Source: HBAI dataset, DWP.

Chart 12 shows the same distribution with income deciles for Scotland marked with black lines.

Chart 12 – Distribution of weekly household income with income decile points



Source: HBAI dataset, DWP.

The relative poverty threshold BHC is based on the UK median equivalised household income. As the UK median income fell in 2011/12, the poverty threshold also fell in 2011/12. In 2012/13 and 2013/14, the UK median remained unchanged, as did the poverty threshold. In 2013/14 the poverty threshold BHC therefore remained at £272 per week (for a couple with no children). Median income in Scotland was higher than the UK median in 2011/12 but in 2012/13, it had dropped to almost the same level (£454 compared to £453 for the UK). In 2013/14 median income in Scotland increased to £460 while median income for the UK remained at £453.

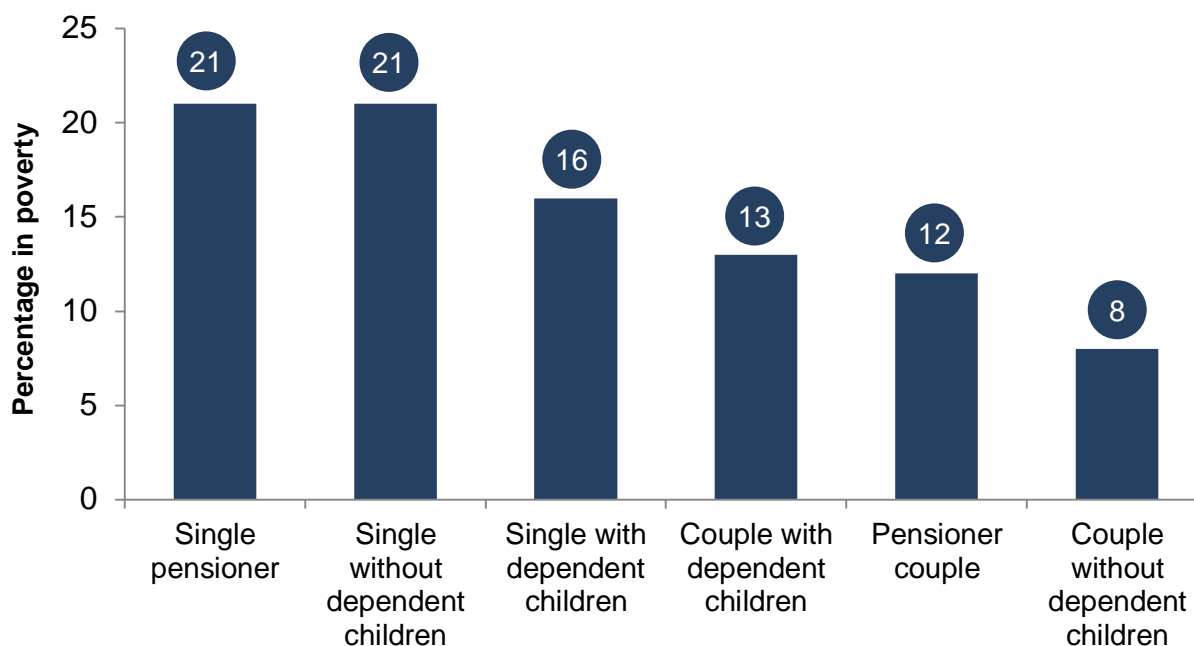
Chapter 3: Household characteristics and income distribution

3.1 Household composition

Key points:

- Lone parents saw the largest decrease in relative poverty BHC, decreasing by 12 percentage points to 16 per cent. As a result, single people, both pensioners and working age adults, now have a higher risk of relative poverty BHC than lone parents.
- The bottom four deciles all saw an increase in the percentage of households where all adults were in full-time employment and a decrease in households with adults in part-time employment only.
- The bottom decile saw the largest decrease in the percentage in part-time employment, from 18 per cent to 7 per cent. This was accompanied by an increase in those in full-time employment but also by those in households with no adults in employment.
- 62 per cent of those in the bottom decile are in households with no adults in employment, an increase of 3 percentage points on the previous year.
- However, families with someone in employment make up 46 per cent of those in the bottom three deciles, the same as in 2012/13.

Chart 13 – Risk of poverty BHC by household type – 2013/14



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A11](#)).

Commentary:

Lone parents saw the largest decrease in relative poverty BHC, decreasing by 12 percentage points to 16 per cent in 2013/14. As a result, single people, both pensioners and working age adults, now have a higher risk of relative poverty BHC than lone parents.

There were a higher percentage of single adult households (both with and without children) towards the lower end of the income distribution. Single people without dependent children make up 30 per cent of those in the lowest decile, and around 20 per cent or less in the other deciles. Similarly, single parent households are concentrated in the lower income deciles, with more than half in the bottom three income deciles.

However there has been a decrease in the percentage of single parent families in the bottom two deciles with increases in deciles 3 and 4, accompanied by a decrease in the rate of relative poverty BHC for single parent families. This reflects the increase in the number of lone parent families in employment in 2013/14. 16 per cent of people in single parent families were in relative poverty BHC in 2013/14 compared to 28 per cent in 2012/13, a decrease of 12 percentage points. This is a decrease of 50 thousand people.

There were also more pensioners towards the lower end of the income distribution. This is particularly true for single pensioners with 15 per cent in the bottom decile compared to less than 4 per cent in each of the top 3 deciles. Relative poverty BHC for single pensioners increased to 21 per cent, a 1 percentage point increase.

In 2013/14, single pensioners are now the family type most likely to be in relative poverty BHC. In 2012/13, this was single parent families but with the decrease in poverty rates for this group, single pensioner poverty is now higher.

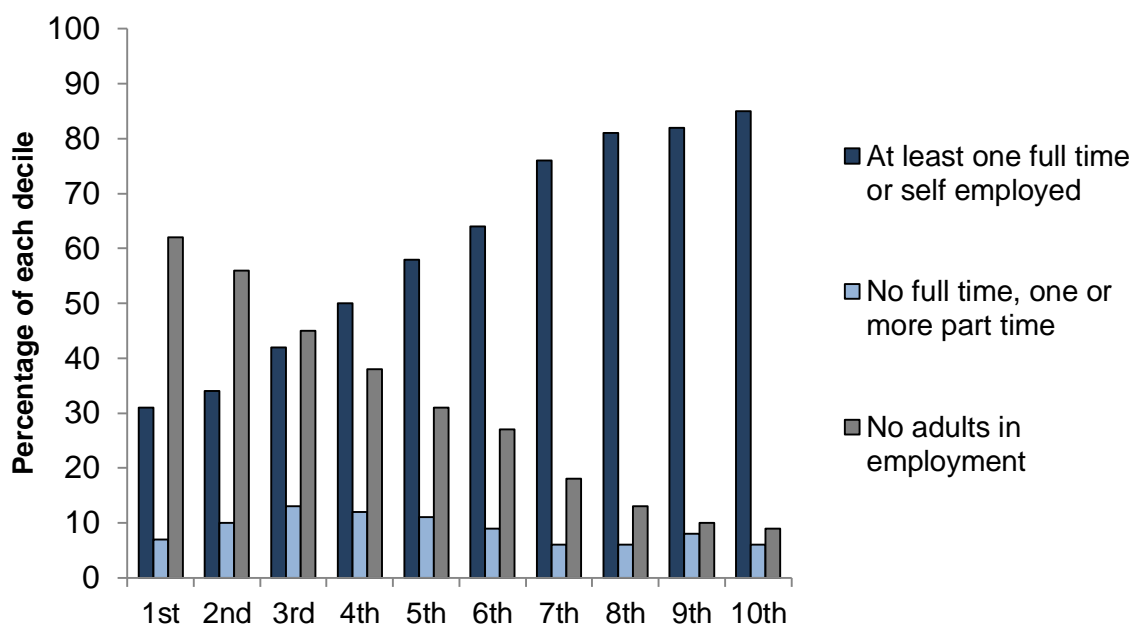
Single working age people without children were also over-represented in the bottom decile with 16 per cent having incomes in the bottom 10 per cent of the distribution. They were more evenly distributed across the rest of the distribution.

Couple households without children were the most likely to be at the top end of the income distribution, while those with children are evenly spread across all deciles. Couple households may be more able to increase household income than single person households. Households without children may be more able to work more hours and have greater flexibility in the labour market, as well as their income not being shared with direct dependants. Households without children are also able to move out of the welfare system quickly, at which point any increases in earnings do not trigger decreases in benefit income.

3.2 Household economic status

Chart 14 below shows the employment characteristics of households in each decile. Each bar represents the percentage of people in that decile living in each of the households types: at least one adult in full-time employment, part-time employment only, no adults in employment (whether due to unemployment, not actively seeking employment, or retirement).

Chart 14 – Economic status of household, composition of each decile in 2013/14



Source: HBAI dataset, DWP. These figures are also presented in [Annex 1](#) (Table [A13](#)).

Commentary:

Households where no-one is working either through unemployment, retirement or economic inactivity (those who are neither in work, nor looking for work) were more common towards the bottom of the income distribution. Over half (54 per cent) of people in the bottom three income deciles were in households where no-one is in employment, compared to 11 per cent in the top three deciles.

Having an adult in the household in full-time employment (including those who are self-employed) greatly reduces the risk of poverty. In 2013/14, only 7 per cent of people living in a household with an adult in full-time employment were in relative poverty BHC, unchanged from the previous year. Relative poverty AHC for households with an adult in full-time employment increased to 9 per cent, an increase of 1 percentage point, but still represents a lower risk of poverty for those in full-time employment.

While employment remains the best route out of poverty, employment is no longer a protection against poverty. In 2013/14, 48 per cent of working age adults in relative poverty BHC were living in working households, as were 56 per cent of children. People in households where at least one adult is working full-time (including those who are self-employed) made up 83 per cent of those in the top three deciles. However, households where at least one adult is working full-time still made up 36 per cent of those in the bottom three deciles, an increase of 5 percentage points on the previous year. This may reflect that more people in the bottom 3 deciles are now working full-time and as such, the level of income for the bottom 3 deciles has increased compared to the median.

62 per cent of those in the bottom decile were in households with no adults in employment, an increase of 3 percentage points on the previous year. Unemployment continues to pose the highest risk of poverty with 61 per cent of those living in an unemployed household being in relative poverty BHC in 2013/14.

Households where adults are in part-time employment only are spread across the income distribution, although they were more likely to be in the bottom half of the distribution. The percentage of those in the bottom decile in part-time employment decreased to 7 per cent, a decrease of 11 percentage points, accompanied by a 7 percentage point increase in those working full-time.

Annexes

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Annex 1: Tables

Table A1: Relative poverty (below 60% of UK median income in the same year) in Scottish households: 1994/95 to 2013/14

	All individuals				Children				Working Age Adults				Pensioners			
	Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs	
	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s
1994/95	21	1,040	23	1,140	28	310	30	330	17	510	18	560	26	220	29	250
1995/96	20	980	23	1,160	27	300	32	360	14	440	18	540	28	240	31	270
1996/97	22	1,090	25	1,230	31	340	33	360	16	490	19	580	30	260	33	290
1997/98	20	1,000	22	1,120	30	330	31	330	16	470	18	540	24	210	28	250
1998/99	20	980	23	1,130	28	300	31	330	15	450	19	570	26	230	27	230
1999/00	21	1,050	24	1,200	28	300	32	350	17	510	20	600	27	240	28	250
2000/01	21	1,040	24	1,220	27	280	32	340	18	540	22	650	24	210	25	220
2001/02	19	960	22	1,110	27	280	31	330	16	490	19	570	21	190	24	210
2002/03	20	1,000	22	1,120	24	250	27	280	18	530	20	610	23	210	25	230
2003/04	18	910	20	1,010	23	240	26	270	16	480	18	560	22	200	20	180
2004/05	17	860	19	960	21	210	25	250	15	460	18	560	20	180	16	150
2005/06	17	870	20	980	21	210	24	240	15	470	19	590	20	180	16	150
2006/07	17	840	19	940	22	210	25	250	14	440	18	550	19	180	15	140
2007/08	17	870	19	960	20	190	24	240	15	470	18	570	21	210	15	150
2008/09	17	860	19	960	21	210	26	250	16	490	19	600	16	160	11	110
2009/10	17	870	19	970	20	200	24	240	16	500	19	600	16	170	12	120
2010/11	15	770	17	900	17	170	21	210	14	440	18	570	16	160	12	120
2011/12	14	710	16	860	15	150	19	190	13	410	17	550	14	140	12	120
2012/13	16	820	19	1,000	19	180	22	220	15	480	21	660	15	150	11	120
2013/14	14	730	18	940	14	140	22	210	14	440	19	600	15	160	12	120

Source: HBAI dataset, DWP.

Table A2: Absolute poverty (below 60 per cent of inflation adjusted 2010/11 UK median income) in Scottish households: 1994/95 to 2013/14

	All individuals				Children				Working Age Adults				Pensioners			
	Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs		Before Housing Costs		After Housing Costs	
	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s
1994/95	32	1,580	34	1,720	38	420	42	460	24	740	28	840	48	420	48	420
1995/96	32	1,610	36	1,810	42	470	47	520	24	720	28	860	48	420	49	420
1996/97	31	1,550	35	1,740	40	440	46	500	23	700	27	820	47	410	48	420
1997/98	28	1,400	31	1,570	39	420	43	470	22	650	25	750	37	320	40	350
1998/99	28	1,390	30	1,520	36	390	39	420	22	660	25	750	39	340	39	340
1999/00	27	1,330	30	1,480	34	360	38	410	22	650	24	740	36	310	38	330
2000/01	25	1,220	27	1,360	31	330	35	380	20	620	24	730	31	270	29	260
2001/02	22	1,070	24	1,210	30	310	34	360	18	530	20	610	25	220	27	240
2002/03	20	1,010	23	1,120	25	250	27	280	18	540	20	620	24	220	25	230
2003/04	19	930	20	990	24	240	26	260	16	490	18	550	22	200	19	180
2004/05	17	860	18	920	21	210	24	240	15	460	18	540	20	180	14	130
2005/06	17	860	18	900	21	210	23	230	15	470	18	560	19	180	13	120
2006/07	16	800	17	840	21	210	22	220	14	430	16	500	17	170	12	120
2007/08	16	830	17	880	19	190	22	220	14	450	17	530	20	190	13	130
2008/09	16	820	18	900	20	200	24	240	15	470	18	570	15	150	10	100
2009/10	15	790	17	890	18	180	22	220	15	470	18	570	15	150	10	100
2010/11	15	770	17	900	17	170	21	210	14	440	18	570	16	160	12	120
2011/12	15	780	18	950	17	170	22	220	14	450	18	590	16	160	14	140
2012/13	17	880	21	1,100	20	200	25	250	16	510	22	710	16	170	13	140
2013/14	15	800	20	1,030	16	150	24	240	15	480	20	650	17	170	14	140

Source: HBAI dataset, DWP.

Table A3: Children in combined material deprivation and low income BHC (below 70 per cent of UK median income in the same year) in Scottish households: 2004/05 to 2013/14

	%	000s		%	000s
2004/05	17	170	2004/05	-	-
2005/06	13	130	2005/06	-	-
2006/07	16	160	2006/07	-	-
2007/08	16	160	2007/08	-	-
2008/09	16	160	2008/09	-	-
2009/10	15	150	2009/10	-	-
2010/11	13	130	2010/11	12	120
2011/12	-	-	2011/12	9	90
2012/13	-	-	2012/13	11	110
2013/14	-	-	2013/14	13	130

Source: HBAI dataset, DWP.

Table A4: Children in combined material deprivation and low income AHC (below 70 per cent of UK median income in the same year) in Scottish households: 2004/05 to 2013/14

	%	000s		%	000s
2004/05	18	180	2004/05	-	-
2005/06	13	130	2005/06	-	-
2006/07	16	160	2006/07	-	-
2007/08	16	160	2007/08	-	-
2008/09	16	160	2008/09	-	-
2009/10	16	160	2009/10	-	-
2010/11	15	150	2010/11	13	130
2011/12	-	-	2011/12	11	110
2012/13	-	-	2012/13	12	120
2013/14	-	-	2013/14	14	140

Source: HBAI dataset, DWP.

Table A5: Pensioners over 65 in material deprivation in Scotland: 2009/10 to 2013/14

	%	000s
2009/10	10	80
2010/11	7	60
2011/12	8	70
2012/13	8	70
2013/14	9	80

Source: HBAI dataset, DWP.

Table A6: In-work poverty (relative poverty BHC) in Scotland: 1998/99 to 2013/14

Percentage of individuals in poverty in households with at least one adult in employment

	All People In in-work poverty		Children In in-work poverty		Working Age Adults In in-work poverty	
	000s	%	000s	%	000s	%
1998/99	360	36	130	44	210	47
1999/00	350	33	120	40	210	42
2000/01	390	37	130	45	250	46
2001/02	370	38	130	46	230	46
2002/03	410	41	120	48	270	51
2003/04	340	37	100	43	220	46
2004/05	310	36	90	43	210	45
2005/06	370	43	110	54	240	51
2006/07	320	38	100	48	210	48
2007/08	340	39	90	48	230	49
2008/09	340	40	90	45	240	49
2009/10	330	38	80	43	230	46
2010/11	320	41	90	52	220	50
2011/12	290	40	80	52	200	48
2012/13	370	45	110	59	250	52
2013/14	300	40	80	56	210	48

Source: HBAI dataset, DWP.

Table A7: In-work poverty (relative poverty AHC) in Scotland: 1998/99 to 2013/14
 Percentage of individuals in poverty in households with at least one adult in employment

	All People In in-work poverty		Children In in-work poverty		Working Age Adults In in-work poverty	
	000s	%	000s	%	000s	%
1998/99	440	39	150	45	280	49
1999/00	430	36	150	42	260	44
2000/01	500	41	160	48	330	50
2001/02	470	42	160	50	290	51
2002/03	480	43	140	50	330	54
2003/04	400	39	120	43	270	48
2004/05	400	41	110	45	280	49
2005/06	470	48	130	55	320	55
2006/07	410	43	120	49	280	50
2007/08	430	45	110	48	300	53
2008/09	450	47	130	52	310	52
2009/10	440	45	120	48	310	51
2010/11	430	48	110	55	300	54
2011/12	380	45	100	51	270	50
2012/13	510	51	130	56	370	56
2013/14	430	46	120	56	300	50

Source: HBAI dataset, DWP.

Table A8: Median equivalised weekly household income in Scotland: 1994/95 to 2013/14 (2013/14 prices)

	Before Housing Costs	After Housing Costs
1994/95	375	320
1995/96	372	312
1996/97	385	324
1997/98	399	339
1998/99	402	343
1999/00	414	352
2000/01	420	364
2001/02	440	382
2002/03	442	394
2003/04	463	420
2004/05	464	421
2005/06	464	423
2006/07	465	422
2007/08	474	437
2008/09	481	442
2009/10	489	442
2010/11	464	417
2011/12	462	406
2012/13	454	402
2013/14	460	411

Source: HBAI dataset, DWP.

Table A9: Median equivalised weekly household income in Scotland: 1994/95 to 2012/13 (2013/14 prices)

Children, working age adults and pensioners

	Children		Working Age Adults		Pensioners	
	Before Housing Costs	After Housing Costs	Before Housing Costs	After Housing Costs	Before Housing Costs	After Housing Costs
1994/95	334	277	432	364	284	250
1995/96	319	258	422	351	289	248
1996/97	325	263	442	372	287	253
1997/98	337	271	450	380	317	287
1998/99	360	300	448	384	329	288
1999/00	349	291	460	393	333	299
2000/01	365	317	455	393	354	322
2001/02	376	327	490	430	362	341
2002/03	401	346	494	434	362	338
2003/04	431	378	505	454	375	354
2004/05	418	361	515	460	389	374
2005/06	427	375	515	462	389	381
2006/07	419	373	520	466	386	382
2007/08	437	390	520	475	394	399
2008/09	429	372	529	476	414	415
2009/10	452	397	534	482	425	410
2010/11	424	372	503	444	414	400
2011/12	413	360	494	432	408	390
2012/13	407	350	485	418	416	400
2013/14	403	348	501	439	402	392

Source: HBAI dataset, DWP.

Table A10: Equivalised weekly household income (BHC) in Scotland: 1994/95 to 2013/14 (2013/14 prices)

	Scottish 1st income decile	Scottish 2nd income decile	Scottish 3rd income decile	Scottish 4th income decile	Scottish 5th income decile	Scottish 6th income decile	Scottish 7th income decile	Scottish 8th income decile	Scottish 9th income decile
1994/95	186	224	270	323	375	437	497	596	724
1995/96	192	229	269	322	372	425	497	586	730
1996/97	192	230	276	325	385	444	509	604	740
1997/98	197	241	288	339	399	455	531	624	783
1998/99	201	246	294	349	402	460	542	631	799
1999/00	206	249	298	350	414	476	550	659	823
2000/01	213	257	307	359	420	475	550	656	823
2001/02	228	275	327	381	440	504	576	674	890
2002/03	220	276	329	385	442	505	581	676	848
2003/04	232	289	351	409	463	524	597	700	850
2004/05	237	297	349	402	464	528	606	713	863
2005/06	235	296	351	408	464	528	605	719	890
2006/07	244	300	352	411	465	534	613	722	902
2007/08	237	303	357	412	474	542	621	740	933
2008/09	239	306	361	416	481	555	635	747	944
2009/10	247	309	368	432	489	557	640	743	946
2010/11	250	309	362	413	464	530	606	707	882
2011/12	248	308	354	404	462	522	599	692	849
2012/13	227	293	344	399	454	511	587	696	875
2013/14	243	301	350	399	460	523	599	695	849

Source: HBAI dataset, DWP.

Table A11: Household type by equivalised income decile in Scotland: 2013/14

Income decile	Pensioner couple		Single pensioner		Couple with dependent children		Single with dependent children		Couple without dependent children		Single without dependent children	
	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%
1	40	9	70	12	150	29	40	8	60	12	160	30
2	80	16	40	8	170	33	80	14	50	10	100	18
3	60	12	70	14	170	32	90	18	50	9	80	15
4	80	16	70	13	160	30	80	15	60	12	80	15
5	80	15	50	10	170	32	30	7	90	17	100	19
6	80	15	50	9	180	35	30	5	90	18	100	18
7	70	13	30	5	160	30	20	4	140	28	100	19
8	50	10	20	3	160	31	10	2	180	34	100	20
9	60	11	20	3	170	32	10	2	170	33	100	19
10	60	12	20	3	160	30	10	2	190	37	80	16
Total	670	13	420	8	1,650	32	400	8	1,090	21	990	19

Source: HBAI dataset, DWP.

Table A12: Economic status of households by equivalised income decile in Scotland: 2013/14

Income decile	One or more self-employed		Single/couple all in full-time work		Couple/one in full-time, one part-time		Couple, one full-time one not working		No full-time, one or more part-time		No adult in employment, head or spouse aged 60 or over		No adult in employment, head or spouse unemployed		No adult in employment, other inactive	
	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%
1	70	14	40	7	20	4	30	6	40	7	130	24	100	19	100	19
2	40	7	40	8	30	5	70	14	50	10	130	25	40	7	130	24
3	30	5	60	11	40	8	90	18	70	13	140	26	20	3	80	16
4	40	7	100	19	70	13	60	11	60	12	140	27	10	1	50	10
5	40	8	110	21	90	17	60	11	60	11	120	23	10	2	30	6
6	30	7	150	29	100	18	50	10	50	9	110	21	10	1	30	5
7	40	8	200	39	90	17	60	12	30	6	80	15	0	0	20	3
8	40	7	290	56	60	12	30	6	30	6	50	10	0	0	20	3
9	50	9	270	52	60	12	50	9	40	8	40	8	0	0	10	2
10	90	18	230	44	90	17	30	6	30	6	40	8	0	0	0	1
Total	470	9	1,500	29	640	12	540	10	450	9	980	19	180	3	470	9

Source: HBAI dataset, DWP.

Table A13: Full-time, part-time and not in employment by equivalised income decile in Scotland: 1994/95 to 2013/14

	At least one full-time or self-employed		No full-time, one or more part-time		No adults in employment	
	000s	%	000s	%	000s	%
1st	160	31	40	7	320	62
2nd	180	34	50	10	290	56
3rd	220	42	70	13	240	45
4th	260	50	60	12	200	38
5th	310	58	60	11	160	31
6th	330	64	50	9	140	27
7th	400	76	30	6	100	18
8th	420	81	30	6	70	13
9th	430	82	40	8	50	10
10th	440	85	30	6	50	9
Total	3,150	60	450	9	1,630	31

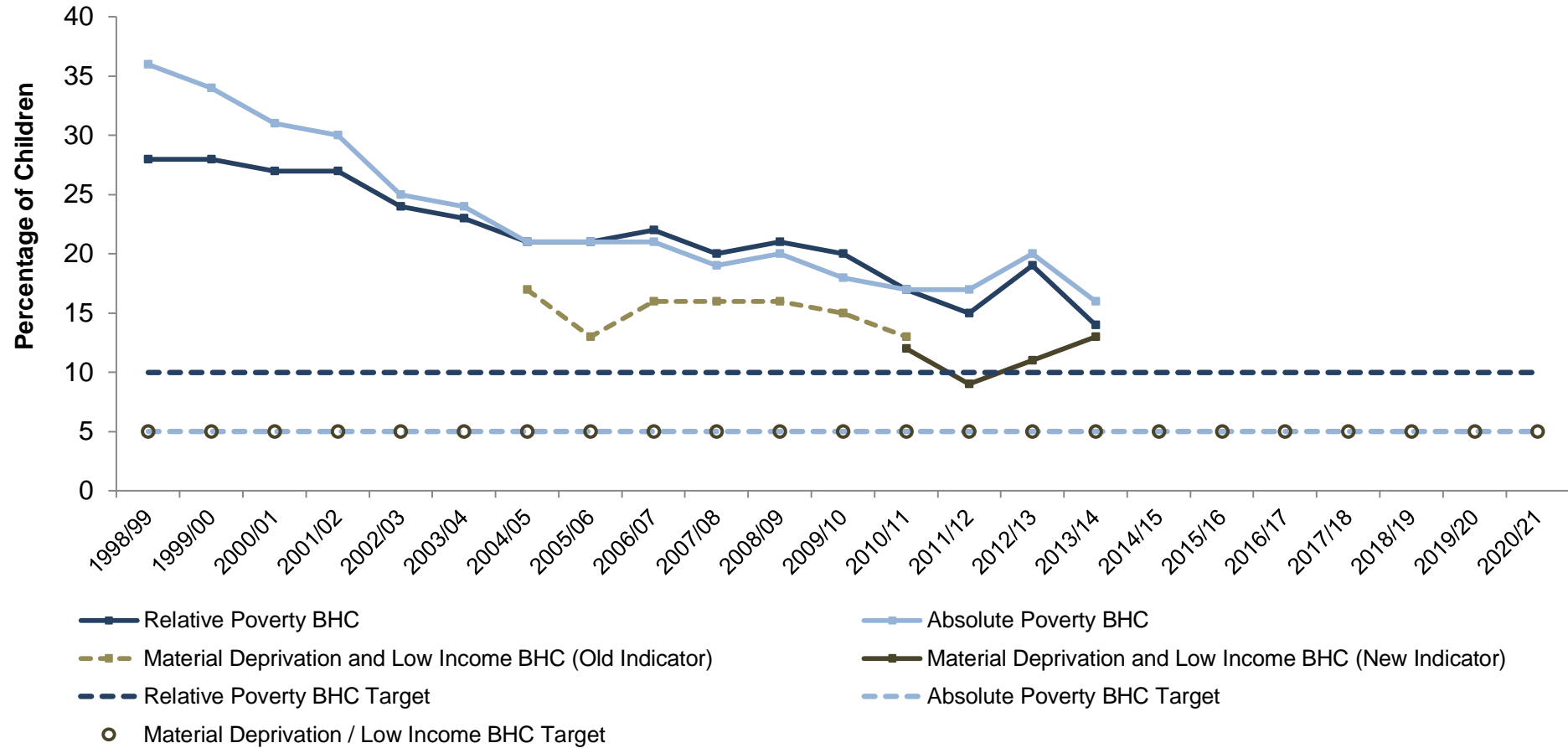
Source: HBAI dataset, DWP.

Table A14: Gini coefficient for Scotland: 1994/95 to 2013/14

Year	Gini coefficient
1994/95	31
1995/96	30
1996/97	30
1997/98	32
1998/99	31
1999/00	33
2000/01	34
2001/02	31
2002/03	31
2003/04	31
2004/05	30
2005/06	31
2006/07	32
2007/08	33
2008/09	34
2009/10	33
2010/11	30
2011/12	31
2012/13	31
2013/14	30

Source: HBAI dataset, DWP.

Chart A1 – Child Poverty Act Targets



Source: HBAI dataset, DWP.

Note: Changes in the material deprivation questions in 2010/11 created a break in the series. Data for 2010/11 onwards is not directly comparable with that prior to 2010/11. Further information is available in [Annex 2](#).

Annex 2: Data Sources and Definitions

Data sources

Family Resources Survey, Households Below Average Income (HBAI) dataset:

All the figures in this publication come from the Department for Work and Pensions' (DWP) Households Below Average Income dataset which is produced from the Family Resources Survey. UK figures are published by DWP in 'Households Below Average Income: 2013/14' on the same day as 'Poverty and Income Inequality in Scotland: 2013/14'. For the UK figures, as well as more detail about the way these figures are collected and calculated, see the DWP website:

<https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

Further analysis of these figures will be published on the Scottish Government income and poverty statistics website. This will include figures on the interaction between income, poverty, disability and housing tenure.

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty>

Future plans for updating persistent poverty figures

Data on Persistent Poverty has previously been obtained from the British Household Panel Survey (BHPS) and figures are published here:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/Publications>.

The BHPS has been subsumed into the larger Understanding Society survey from the start of 2009. These figures will be updated when the new data becomes available later in 2015. For more detail see www.understandingsociety.org.uk.

What does the HBAI measure?

Households Below Average Income (HBAI) uses household disposable incomes, adjusted for the household size and composition, as a proxy for material living standards. More precisely, it is a proxy for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

The unit of analysis is the individual, so the populations and percentages in the tables are numbers and percentages of individuals – both adults and children.

The living standards of an individual depend not only on his or her own income, but also on the income of others in the household. Consequently, the analyses are based on **total household income**: the equivalised income of a household is taken to represent the income level of every individual in the household. Equivalisation, a technique that allows comparison of incomes between households of different sizes and compositions, is explained below. Thus, all members of any one household will appear at the same point in the income distribution.

Housing Costs

It could be argued that the costs of housing faced by different households at a given time do not always match the true value of the housing that they actually enjoy, and that housing costs should therefore be deducted from any definition of disposable income. However, any measure of income defined in this way would understate the relative standard of living of those individuals who were actually benefiting from a better quality of housing by paying more for better accommodation. Income growth over time would also understate improvements in living standards where higher costs reflected improvements in the quality of housing.

Conversely, any income measure which does not deduct housing costs may overstate the living standards of individuals whose housing costs are high relative to the quality of their accommodation. Growth over time in income before housing costs could also overstate improvements in living standards for low income groups in receipt of housing benefit, and whose rents have risen in real terms. This is because housing benefit will also rise to offset the higher rents (for a given quality of accommodation) and would be counted as an income rise, although there would be no associated increase in the standard of living. A similar effect could work in the opposite direction for pensioners: if a shift from renting to owning their housing outright leads to a fall in housing benefit income, because fewer low income pensioners are paying rents, then changes in income before housing costs may understate any improvement in living standards.

Therefore, this publication presents analyses on two bases: **Before Housing Costs BHC** and **After Housing Costs AHC**. This is principally to take into account variations in housing costs that themselves do not correspond to comparable variations in the quality of housing.

Definitions

Measures of income

The income measure used in HBAI is weekly net (disposable) equivalised household income. This comprises total income from all sources of all household members including dependants.

Income is adjusted for household size and composition by means of equivalence scales, which reflect the extent to which households of different size and composition require a different level of income to achieve the same standard of living. This adjusted income is referred to as equivalised income (see definition below for more information on [equivalisation](#)).

- **Income Before Housing Costs BHC** includes the following main components: net earnings; profit or loss from self-employment after income tax and NI; all social security benefits, including housing and council tax benefits; all tax credits, including Social Fund grants; occupational and private pension income; investment income; maintenance payments; top-up loans

and parental contributions for students, educational grants and payments; the cash value of certain forms of income in kind such as free school meals, free welfare milk and free school milk and free TV licences for the over 75s (where data is available). Income is net of: income tax payments; National Insurance contributions; contributions to occupational, stakeholder and personal pension schemes; council tax; maintenance and child support payments made; and parental contributions to students living away from home.

- **Income After Housing Costs AHC** is derived by deducting a measure of housing costs from the above income measure.
- **Housing Costs** include the following: rent (gross of housing benefit); water rates; mortgage interest payments; structural insurance premiums; ground rent and service charges.

Real prices

Unless otherwise stated, all figures relating to income are in 2013/14 prices. Values from previous years are uprated to account for inflation using the Retail Price Index (RPI).

All BHC incomes in this publication have been adjusted for inflation using a bespoke index supplied by the Office for National Statistics (ONS), consisting of the Retail Prices Index excluding Council Tax, while all AHC incomes in this publication have been adjusted for inflation using the Retail Prices Index excluding housing.

RPI measures the average price change on the basis of the changed expenditure of maintaining the consumption pattern of households and the composition of the consumer population in the base or reference period.

Equivalisation is the process by which household income is adjusted to take into account variations in the size and composition of the households in which individuals live. This reflects the common sense notion that, in order to enjoy a comparable standard of living, a household of, for example, three adults will need a higher income than a single person living alone. The process of adjusting income in this way is known as equivalisation and is needed in order to make sensible income comparisons between households.

Equivalence scales conventionally take an adult couple without children as the reference point, with an equivalence value of one. The process then increases relatively the income of single person households (since their incomes are divided by a value of less than one) and reduces relatively the incomes of households with three or more persons, which have an equivalence value of greater than one.

Consider a single person, a couple with no children, and a couple with two children aged fourteen and ten, all having unadjusted weekly household incomes of £200 (Before Housing Costs). The process of equivalisation, as conducted in HBAI, gives an equivalised income of £299 to the single person, £200 to the couple with no children, but only £131 to the couple with children.

The equivalence scales used here are the modified OECD scales. Two separate scales are used, one for income Before Housing Costs (BHC) and one for income

After Housing Costs (AHC). Modified OECD rescaled to couple without children, BHC is as follows:

First Adult	0.67
Spouse	0.33
Other Second Adult	0.33
Third Adult	0.33
Subsequent Adults	0.33
Children aged under 14 years	0.20
Children aged 14 years and over	0.33

The construction of household equivalence values from these scales is quite straightforward. For example, the BHC equivalence value for a household containing a couple with a fourteen year old and a ten year old child together with one other adult would be 1.86 from the sum of the scale values:

$$0.67 + 0.33 + 0.33 + 0.33 + 0.20 = 1.86$$

This is made up of 0.67 for the first adult, 0.33 for their spouse, the other adult and the fourteen year old child and 0.20 for the ten year old child. The total income for the household would then be divided by 1.86 in order to arrive at the measure of equivalised household income used in HBAI analysis.

Further information on equivalisation can be found in the following report on the Scottish Government website:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/equivalence-scales-paper>

Poverty measurement from the Family Resources Survey

Individuals are defined as being in poverty if their equivalised net disposable household income is below 60 per cent of the UK median. The median is the income value which divides a population, when ranked by income, into two equal sized groups. Since the mean is influenced considerably by the highest incomes, median income thresholds are widely accepted as a better benchmark when considering a derived measure for low income. Sixty per cent of the median is the most commonly used low income measure.

For a couple with no children, the UK median income BHC in 2013/14 was £453 per week, which in real terms is unchanged since 2012/13. After housing costs the UK median was also unchanged at £386.

Consequently, the 60 per cent low income threshold, which is used to derive the low income household figures, has remained the same in real terms, before and after housing costs.

Relative and absolute poverty

- **Absolute poverty** - individuals living in households whose equivalised income is below 60 per cent of inflation adjusted median income in 2010/11. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms.
- **Relative poverty** - individuals living in households whose equivalised income is below 60 per cent of median income in the same year. This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the economy as a whole.

Material deprivation for Children

A suite of questions designed to capture the material deprivation experienced by households with children has been included in the Family Resources Survey since 2004/05. Respondents are asked whether they have 21 goods and services, including child, adult and household items. The list of items was identified by independent academic analysis. See McKay, S. and Collard, S. (2004). Together, these questions form the best discriminator between those households that are deprived and those that are not. If they do not have a good or service, they are asked whether this is because they do not want them or because they cannot afford them.

These questions are used as an additional way of measuring living standards for children and their households.

A prevalence weighted approach has been used, in combination with a relative low income threshold. The income threshold is 70 per cent of the median income. Prevalence weighting is a technique of scoring deprivation in which more weight in the deprivation measure is given to households lacking those items that most already have. This means a greater importance, when an item is lacked, is assigned to those items that are more commonly owned in the population.

Changes to measuring material deprivation in 2011/12

The 21 items in the suite of questions used to measure material deprivation are designed to reflect the items and activities people in the UK believe to be necessary. These items are reviewed periodically to ensure the measure remains a relative measure of poverty. In 2010/11 four new questions about additional items were included in the FRS to be used in the future calculation of material deprivation scores, replacing the four existing items that were identified by research as potentially out of date partly because the proportion of the population considering them necessary had fallen. As such, there is a break in the series for child low income/material deprivation and estimates from 2011/12 onwards cannot be compared to those from before 2010/11.

In the 2010/11 FRS, both the new and the old questions were asked. As such, estimates are presented based on both sets of questions for this year.

For further information about material deprivation see the DWP [Households Below Average Income publication](#).

Material Deprivation for Pensioners

A suite of questions designed to capture the material deprivation experienced by pensioner households has been included in the Family Resources Survey since May 2008. Respondents are asked whether they have access to 15 goods and services. The list of items was identified by independent academic analysis. See:

- Legard, R., Gray, M. and Blake, M. (2008), *Cognitive testing: older people and the FRS material deprivation questions*, Department for Work and Pensions Working Paper Number 55. Available at: <http://www.bristol.ac.uk/poverty/downloads/keyofficialdocuments/FRS%20cognitive%20testing%20of%20older%20people%20dep%20questions.pdf> and;
- McKay, S. (2008), *Measuring material deprivation among older people: Methodological study to revise the Family Resources Survey questions*, Department for Work and Pensions Working Paper Number 54. Available at: <http://www.bristol.ac.uk/poverty/downloads/keyofficialdocuments/FRS%20Older%20people%20deprivation%20questions%20report.pdf>

Together, these questions form the best discriminator between those pensioner households that are deprived and those that are not.

Where they do not have a good or service, pensioner households are asked whether this is because: they do not have the money for this; it is not a priority on their current income; their health / disability prevents them; it is too much trouble or tiring; they have no one to do this with or help them; it is not something they want; it is not relevant to them; other. Where a pensioner lacks one of the material deprivation items for one of the following reasons - they do not have the money for this; it is not a priority for them on their current income; their health / disability prevents them; it is too much trouble or tiring; they have no one to do this with or help them; other - they are counted as being deprived for that item.

The exception to this is for the unexpected expense question, where the follow up question was asked to explore how those who responded 'yes' would cover this cost. Options were: use own income but cut back on essentials; use own income but not need to cut back on essentials; use savings; use a form of credit; get money from friends or family; other. Pensioners are counted as materially deprived for this item if and only if they responded 'no' to the initial question.

The same prevalence weighted approach has been used to that for children, in determining a deprivation score. Prevalence weighting is a technique of scoring deprivation in which more weight in the deprivation measure is given to households lacking those items that most already have. This means a greater importance, when an item is lacked, is assigned to those items that are more commonly owned in the pensioner population.

For children, material deprivation is presented as an indicator in combination with a low income threshold. However for pensioners, the concept of material deprivation is broad and very different from low income; therefore, it is appropriate to present it as a separate measure.

A technical note given a full explanation of the pensioner material deprivation measure is available at <https://www.gov.uk/government/publications/households-below-average-income-hbai-technical-note-on-pensioner-material-deprivation>.

Population Coverage

The FRS is a survey of private households. This means that people in residential institutions, such as nursing homes, barracks, prisons or university halls of residence, and also homeless people are excluded from the scope of the analysis presented here. The area of Scotland north of the Caledonian Canal was included in the FRS for the first time in the 2001/02 survey year, and from the 2002/03 survey year, the FRS was extended to include a 100 per cent boost of the Scottish sample. This has increased the sample size available for analysis at the Scottish level. Between 2002/03, the sample size has been around 5 thousand. However, following cost savings introduced to the FRS in 2010, the sample size in Scotland has reduced. It was approximately 3.5 thousand in 2013/14. For further information see the DWP [Households Below Average Income publication](#).

Reliability of estimates

The figures are estimates based on sample surveys and are therefore subject to sampling variation. Caution should be exercised in the interpretation of small year-on-year fluctuations. Identification of trends should be based on data for several years. Estimates for the confidence intervals around the key figures presented here will be available on the Income and poverty statistics website after publication via the following link: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/Methodology>

The Family Resources Survey publication:

<https://www.gov.uk/government/collections/family-resources-survey--2>

contains information on topics such as:

- Sample design, non-response biases, weighting
- Item non-response, imputation and editing
- Accuracy of income data

Detailed HBAI definitions and methodology

More detailed information on definitions and methodology can be found in Appendix 1 and 2 of DWP's publication:

<https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

Annex 3: Welfare Reform in 2013/14

Welfare reform

In 2013/14, further welfare reform was implemented. In particular, the 'bedroom tax' for housing benefit recipients in the social rented sector, the 1 per cent cap on benefit uprating for most working age benefits, uprating of local housing allowance by CPI rather than local rent levels, and the introduction of personal independence payments.

Welfare reforms have been implemented since April 2011, and these statistics now capture the majority of reforms announced by the UK Government since April 2011. The full implementation of Universal Credit has been delayed, so is not fully reflected in these statistics. A full list of welfare reforms implemented between April 2011 and March 2014 is below.

As welfare reform has been phased in, individual benefits and groups of recipients have been affected over a three year period. For example, changes to housing benefit affected new claimants from April 2011 and existing claimants were mostly affected between January and December 2012.

In 2013/14, Scottish Government Ministers have increased welfare mitigation spending. In April 2013, responsibility for Discretionary Housing Payments (DHPs) was transferred to Scottish Government Ministers. In 2013/14, Scottish Government Ministers added an additional £20 million to the £18 million allocated by the UK Government. Prior to the introduction of the 'bedroom tax' in April 2013, DHP expenditure in Scotland was around £4 million. In 2013/14, £29.3 million was spent on DHPs in Scotland.

The Scottish Government also established the Scottish Welfare Fund (SWF), incorporating funding previously spent by Department for Work and Pensions in Scotland on two elements of the Social Fund, which were abolished. In 2013/14, £29 million was spent through the SWF.

Welfare reforms implemented in 2013/14:

- Introduction of the 'bedroom tax' for HB recipients in the social rented sector, for working age claimants.
- 1 per cent cap on benefit uprating.
- The introduction of the benefit cap limited the total amount of benefit that most people aged 16 to 64 could receive to £500 per week for couples and lone parents, and £350 per week for single adults. Those living in households eligible for Working Tax Credits or in receipt of certain prescribed benefits were not affected by the benefit cap.
- Increase working age benefits and tax credits by nominal 1 per cent.
- Child Benefit frozen.
- Disability Living Allowance: reform gateway from 2013/14 (introduction of Personal Independence Payment, PIP).
- Uprating of Local Housing Allowance rates capped by CPI inflation. LHA rates were frozen in 2012/13, prior to uprating by CPI.
- Reduce Pension Credit Savings Credit in cash terms.
- Basic State pension uprated by 2.5 per cent in line with the triple guarantee.
- Increase Pension Credit Guarantee Credit by same cash amount as Basic State Pension.
- Freeze basic and 30-hour elements of Working Tax Credit in cash terms.
- Child benefit, along with elements of tax credits, frozen in cash terms. Tax credit elements for disabled adults and children were uprated at between 2.2 per cent and 2.5 per cent.
- Disability benefits (Disability Living Allowance and Attendance Allowance) were uprated by 2.2 per cent.
- Universal Credit was introduced in April 2013 for claimants in certain areas in England, progressively rolling it out nationally from October 2013. Given the relatively low caseloads in 2013/14, this is unlikely to have had an impact on the statistics in this publication.
- High income child benefit tax charge was introduced in January 2013. Individuals earning more than £60,000 per year lost entitlement to child benefit, as did their partner if they were entitled to child benefit. Individuals earning between £50,000 and £60,000 per year lost a proportion of child benefit, as did their partner if they were entitled to child benefit. For couples who both earn over £50,000 per year, only the highest earner lost part of their entitlement to child benefit.

Personal taxes:

- Increase personal allowance by £1,335 to £9,440 for those aged under 65, and was frozen at £10,500 for those aged 65 to 74 years and at £10,660 for those aged 75 or older.
- Reduce additional marginal income tax rate from 50 per cent to 45 per cent on income above £150,000.
- The threshold for the 40 per cent higher rate of income tax fell to £41,450 from £42,475.
- CPI-index some National Insurance thresholds.

Welfare reforms implemented in 2012/13:

- Taper the family element of Child Tax Credit immediately after the child element is withdrawn from April 2012.
- Remove the 50-plus element of Working Tax Credit in April 2012.
- Increase the Working Tax Credit working hours requirement for couples with children from 16 to 24 hours in April 2012.
- Freeze the basic and 30-hour elements of Working Tax Credit at 2010/11 rates from 2011/12 to 2013/14 inclusive, and then uprate by 1 per cent for two years from April 2014.
- Freeze the couple and lone parent elements of Working Tax Credit in 2012/13.
- Freeze Child Benefit at 2010/11 rates from 2011/12 to 2013/14 inclusive, and then uprate by 1 per cent for two years from April 2014.
- Taper Child Benefit away from families containing someone earning more than £50,000 in January 2013.
- Uprate the Basic State Pension by the maximum of CPI inflation, earnings growth and 2.5 per cent from April 2012, and uprate with RPI inflation in April 2011.
- Increase minimum guarantee for Pension Credit by the cash increase in Basic State Pension in April 2011, April 2012 and April 2013.
- Freeze maximum award of Savings Credit at 2010/11 rates from 2011/12 to 2014/15 inclusive, with reductions in April 2012 and April 2013.
- Time-limit contributory Employment and Support Allowance to one year from April 2012.
- Local Housing Allowance: remove the £15 excess that can be claimed above rent, set local reference rates at the 30th percentile of local rents rather than the median, cap all rates at the four-bedroom rate and introduce national caps on all local reference rates in April 2011 (new claimants) or January to December 2012 (existing claimants); increase the age below which single people can only claim the shared-room rate from 25 to 35 in April 2012.

Personal taxes:

- Increase the income tax personal allowance above indexation: cash increases of £1,000 in April 2011, £630 in April 2012 and £1,335 in April 2013.
- Freeze age-related allowances and restrict them to existing recipients from April 2013.
- All reductions in the basic-rate limit and necessary adjustments to keep the upper earnings/profits in line with the higher rate threshold: £2,500 in April 2011, £630 in April 2012 and £2,125 in April 2013.
- Uprate some direct tax thresholds in line with CPI from April 2012, with all direct tax thresholds uprated in line with CPI from April 2016.

Welfare reforms implemented in 2011/12:

- Uprating of most benefits in line with the CPI instead of RPI.
- Basic State Pension uprating was governed by a 'triple guarantee' where the increase is the highest of earnings, prices or 2.5 per cent.
- The standard minimum income guarantee in Pension Credit was increased in April 2011 by the cash rise in a full basic State Pension.
- Child Benefit Frozen.
- The following reforms impacted HB recipients in the private rented sector subject to Local Housing Allowance (LHA) calculations: the removal of the £15 excess, overall caps on LHA rates, the restriction to the four bedroom rate and reducing the level at which LHA rates are set to the 30th percentile of market rents rather than the median. Nine months transitional protection was afforded to existing customers from the anniversary of their claim. In January 2012, the shared accommodation rate in LHA (for claimants under the age of 25) was extended to claimants under 35 years old. The Government increased its contribution to local authorities' funding for Discretionary Housing Payments by £10 million in 2011/12, and it started to include an additional bedroom within the size criteria used to assess HB claims in the private rented sector where a disabled person, or someone with a long term health condition, has a proven need for overnight care and it is provided by a non-resident carer. There were also increases in non-dependent deductions for those in receipt of HB and renting in the private or social rented sectors.
- Restricted eligibility to the Sure Start Maternity Grant to the first child only and abolished the Health in Pregnancy Grant from January 2011.
- The family element of the Child Tax Credit previously payable to families with an income of up to £50,000 was reduced to incomes of £40,000 from April 2011.
- Increased the rate at which tax credits are withdrawn once household incomes rise.
- The baby element of Child Tax Credit was removed from 2011-12.

- The basic and 30 hour element of working tax credits were frozen.
- Reduction from 80 per cent to 70 per cent of eligible childcare costs.
- The level of in-year rises of income disregarded from calculations of tax credit entitlement decreased from £25,000 to £10,000.
- People aged over 60 qualified for Working Tax Credit if they worked at least 16 hours a week, rather than 30 as previously.

Personal taxes:

- There was a £1,000 cash increase in the income tax personal allowance, with a corresponding decrease in the levels at which the 40 per cent higher rate of tax and the 2 per cent rate of NICs are paid, for those aged under 65.
- The main employee and self-employed NICs rate was increased by 1 per cent in 2011/12. The additional employee and self-employed NICs rate was increased by 1 per cent, from 1 per cent to 2 per cent. The primary threshold and lower profits limit were increased, whilst the upper earnings limit and upper profits limit were reduced.

Annex 4: Where to Find More Information

Supplementary analysis:

This publication contains the headline poverty and income inequality statistics.

Supplementary analysis based on the FRS and HBAI datasets is published by the Scottish Government during the year at:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CoreAnalysis>

This provides further disaggregation of the headline statistics at sub-population level: poverty in urban and rural areas, poverty in deprived areas, poverty by disability, gender, and ethnicity, poverty by household tenure, household income distributions, trends in median income, income source, savings and assets, and income inequality.

Supplementary analysis themes are based on the needs of users. If you have any suggestions for future supplementary analysis please email:

stephen.smith@scotland.gsi.gov.uk

or phone 0131 244 7045

Scottish Government websites:

Income and Poverty statistics website

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/incomepoverty>

Scotland Performs website (for further information about the SG Solidarity Target and National Indicators)

<http://www.gov.scot/About/scotPerforms>

Uses of the data: In response to the UK Statistics Authority's (UKSA) report <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/index.html> the Scottish Government were required to identify and document the ways in which these statistics are used. More information on this can be found via the following link: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/income-data-sources>

Scottish Government Welfare and Tackling Poverty website includes information about what the Scottish Government is doing to reduce poverty and income inequality.

<http://www.gov.scot/Topics/People/welfarereform>

Confidence limits surrounding Scotland poverty estimates:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/Methodology>

High Level Summary of Statistics (Social and Welfare)

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare>

For further information on all Scottish Government statistics

<http://www.gov.scot/topics/statistics/>

UK Government websites:

Family Resources Survey, Department for Work and Pensions

<https://www.gov.uk/government/collections/family-resources-survey--2>

Households Below Average Income, Department for Work and Pensions (methodology and UK estimates)

<https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

UK Government action on child poverty

<https://www.gov.uk/government/groups/the-child-poverty-unit>

Local Authority level analysis and other geographies in Scotland:

The figures presented here are from a sample survey which limits the analysis possible at smaller geographical areas. A few analyses are published for areas below Scotland level, (e.g. poverty in rural and urban areas and in deprived areas), however it is not possible to produce reliable estimates at Local Authority level from this source. Estimates of poverty in rural and urban areas and in deprived areas will be updated on the income and poverty statistics website soon after publication of this report.

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CoreAnalysis>

The Scottish Government are aware of the demand for Local Authority (LA) level poverty figures and are carrying out work to improve the quality of income information recorded by the Scottish Household Survey with the aim of producing LA level estimates. Initial estimates were published from this work in August 2010 and are classified as “data being developed” because they are undergoing quality assurance work and are published for the purpose of helping in this QA work and should **not** be treated as official statistics. For further detail and to comment on these data, see the [Relative poverty across Scottish local authorities](#) publication or contact the income and poverty statistics team on 0131 244 7045 or stephen.smith@scotland.gsi.gov.uk.

Academics from Heriot-Watt University have recently completed a project to develop a methodology for modelling income and poverty at local area levels in

Scotland. Results are published on the Improvement Service website:
<http://www.improvementservice.org.uk/income-modelling-project/> .

On the income and poverty website there is also a [data sources and suitability](#) page which discusses some of the main data sources available to researchers interested in income and poverty in Scotland and their strengths and weaknesses. This discusses some of the indicators which are currently available at local authority level to find out about income and poverty in Scotland.

A National Statistics publication for Scotland

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Correspondence and enquiries

For enquiries about this publication please contact:

Stephen Smith

Communities Analytical Services

Telephone: 0131 244 7045,

e-mail: stephen.smith@scotland.gsi.gov.uk

For general enquiries about Scottish Government statistics please contact:

Office of the Chief Statistician, Telephone: 0131 244 0442,

e-mail: statistics.enquiries@scotland.gsi.gov.uk

How to access background or source data

The data collected for this <statistical bulletin / social research publication>:

cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.

Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to the Chief Statistician, 3WR, St Andrews House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail statistics.enquiries@scotland.gsi.gov.uk.

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