



A National Statistics Publication for Scotland

## Poverty and income inequality in Scotland: 2009-10

12 May 2011

This publication presents annual estimates of the proportion and number of children, working age adults and pensioners living in low income households in Scotland and the distribution of household income across 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 2009 to March 2010.

### Key indicators:

- There was little change in overall levels of poverty and income inequality in Scotland between 2008/09 and 2009/10. However, there were some changes in the proportions of different age groups that were living in poverty.
- The percentage of people in relative poverty ([BHC](#)) remained at 17 percent of the population between 2008/09 and 2009/10.
- Over this period slight decreases were recorded in all three of the indicators used to measure child poverty levels in Scotland.
- In 2009/10 the proportion of working age adults in relative poverty ([BHC](#)) increased slightly but, after rounding, remained at 16 percent.
- Between 2008/09 and 2009/10, the proportion of pensioners in relative poverty ([BHC](#)) increased by 1 percentage point to 17 percent. This follows a drop in this figure of 5 percentage points between 2007/08 and 2008/09.
- A figure for pensioner material deprivation is included for the first time. 10 percent of over 65s in Scotland are materially deprived according to the new indicator.
- New figures measuring persistent poverty are included for the first time. Between the periods of 1999-2002 and 2005-2008, the persistent poverty rate ([BHC](#)) in Scotland fell by 4 percentage points to 9 percent.

Please note: All figures in this publication are rounded to the nearest 10,000 individuals or whole percentage point. In some cases calculations based on the unrounded figures do not match those based on the rounded ones.

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## Chapter 1: Introduction

Figures presented here are taken from the Department for Work and Pensions' Family Resources Survey, Households Below Average Income dataset. Comparable UK income and poverty figures are published on the same day by DWP. See the DWP website for further details.

<http://statistics.dwp.gov.uk/asd/index.php?page=hbai>

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.scotland.gov.uk/Topics/Statistics/Browse/Social-Welfare/IncomePoverty>

### 1.1 What does the HBAI measure?

Households Below Average Income (HBAI) uses household disposable incomes, after adjusting 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.

In order to allow comparisons of the living standards of different types of households, income is adjusted to take into account variations in the size and composition of the households in a process known as equivalisation (see 1.2 below).

A key assumption made in HBAI is that all individuals in the household benefit equally from the combined income of the household. This enables the total equivalised income of the household to be used as a proxy for the standard of living of each household member.

See [Annex 2](#) for a detailed definition of net disposable household income.

### 1.2 Equivalisation

Income is adjusted, or equivalised, to take into account variations in both the size and composition of the household. This process reflects the common sense notion that a family of several people needs a higher income than a single person in order for both households to enjoy a comparable standard of living.

Equivalence scales conventionally take a couple with no children as a reference point. The incomes of larger households are adjusted downwards and the incomes of smaller households adjusted upwards relative to this reference point. Most income values quoted in this publication relate to the 'cash' income for a couple with no children; the equivalisation process must be reversed in order for them to be converted to cash incomes for other family types (see [Table 1](#) for examples).

The low income figures in this publication use the modified OECD equivalence scale in line with the rest of Europe. To find out more about equivalisation see the following report on the Scottish Government website:

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

### 1.3 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. A definition of housing costs can be found in [Annex 2](#).

## Chapter 2: Poverty

### Low-Income Poverty Indicators

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:

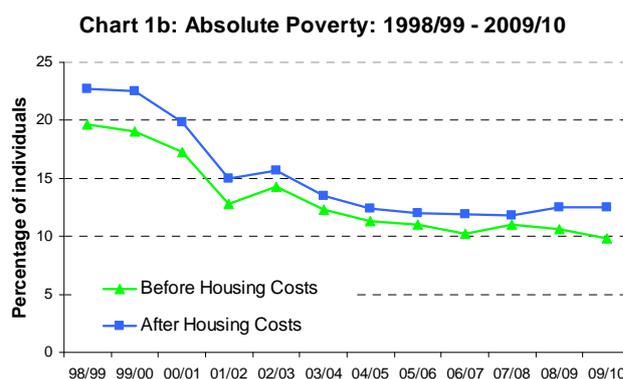
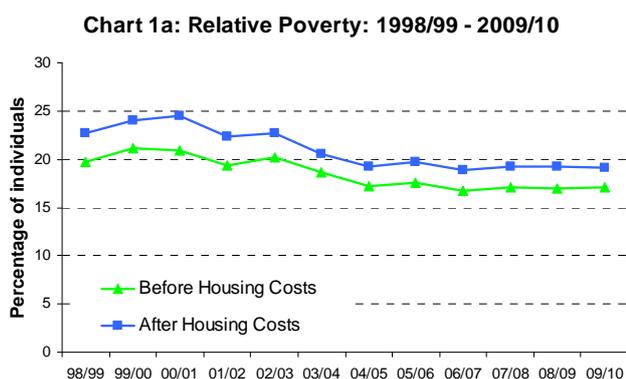
Individuals living in households whose equivalised income is below 60% of UK median income in the same year. This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the population as a whole. In 2009/10 the relative poverty threshold for a couple with no children was an income of £248 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.

#### Absolute poverty:

Individuals living in households whose equivalised income is below 60% of the (inflation adjusted) median income in 1998/99. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms. In 2009/10 the absolute poverty threshold for a couple with no children was an income of £209 per week (BHC) from all sources (see [Annex 2](#) for further information on income definitions).

### 2.1 Individuals in poverty

The Scottish Government's National Indicator 14 is to "decrease the proportion of individuals living in poverty". This is measured using relative poverty [before housing costs](#). Charts 1a and 1b below show Scottish trends for absolute and relative poverty between 1998/99 and 2009/10.



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

#### Main points:

- In 2009/10 there were 870 thousand people (17 percent of the population) in relative poverty (BHC) and 500 thousand people (10 percent of the population) in absolute poverty (BHC) in Scotland.
- The percentage of people in relative poverty remained the same between 2008/09 and 2009/10. Over this same time period, the proportion of people in absolute poverty decreased by 1 percentage point, a reduction of 40 thousand individuals.

- Between 2000/01 and 2004/05 relative and absolute poverty rates fell in Scotland, with absolute poverty falling more steeply. The absolute poverty rates have been broadly the same since 2004/05.
- However, the difference between the absolute poverty rates before and after housing costs has widened from 1 percentage point in 2007/08 to 3 percentage points in 2009/10.

## 2.2 Child poverty

Child poverty is measured using the following indicators:

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

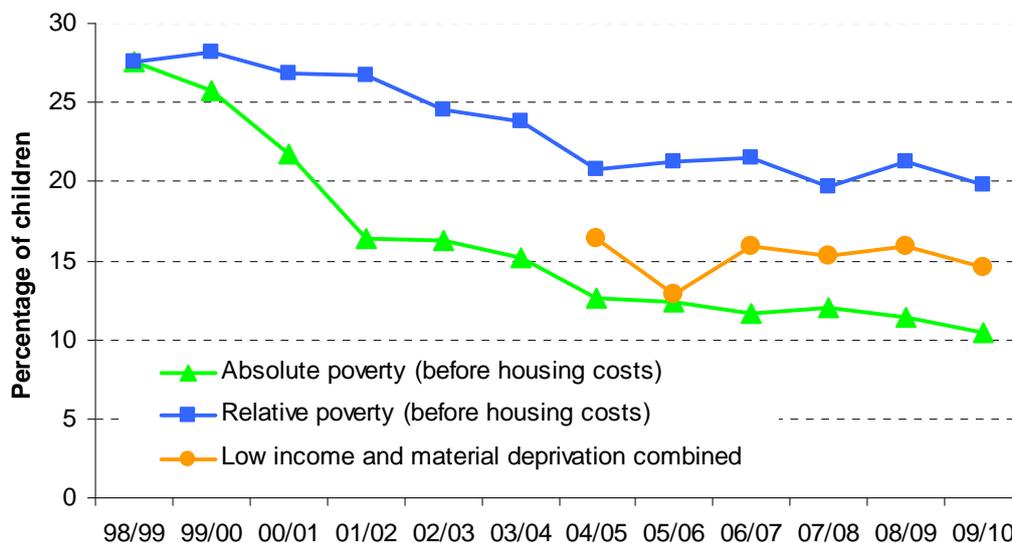
These are three of the four poverty indicators which the UK parliament is required to report on by the 2010 Child Poverty Act. There is also a persistent poverty indicator in the Act but the precise target is yet to be defined.

### Material Deprivation and Low-Income Combined Poverty Indicator:

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 seventy percent of median income 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](#).

Chart 2 below presents recent Scottish poverty trends for these three child poverty indicators.

**Chart 2: Child Poverty in Scotland: 1998/99 - 2009/10**



Source: HBAI dataset, DWP. See Annex 1a (Tables [A1](#), [A2](#) and [A3](#)) for the figures behind these charts.

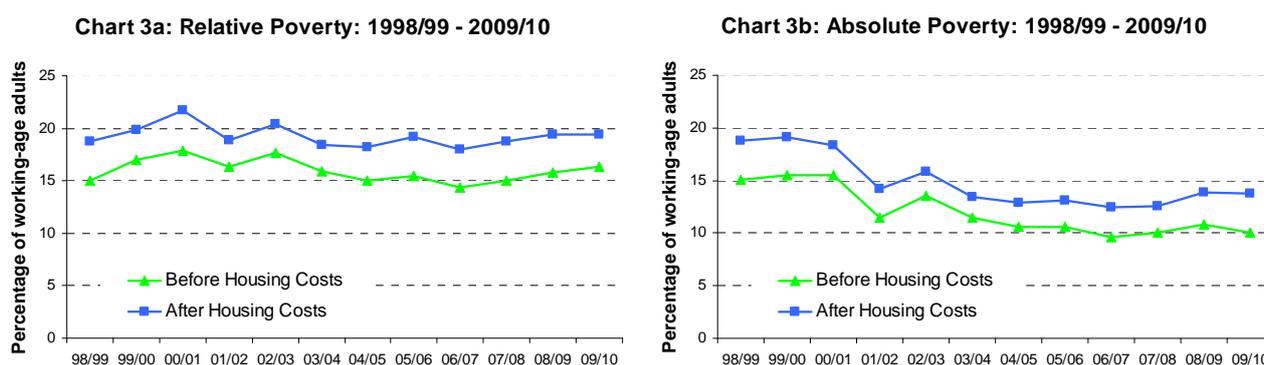
Main points:

- Between 2008/09 and 2009/10, all three child poverty indicators reported a decrease in the child poverty rate.
- The percentage of children in relative poverty ([BHC](#)) decreased by 1 percentage point to 20 percent.

- The proportion of children in absolute poverty ([BHC](#)) fell by 1 percentage point to 10 percent.
- The percentage of children in material deprivation and low income combined decreased by 1 percentage point to 15 percent.
- Between 2004/05 and 2009/10 there has been a slight decrease in all three child poverty indicators. However, the rate of decrease for relative and absolute poverty (both [BHC](#)) has slowed compared to the rate of decrease in the period from 1998/99 to 2004/05.

## 2.3 Working age adult poverty

Charts 3a and 3b below present recent absolute and relative poverty trends for working age people in Scotland.



Source: HBAI dataset, DWP. These figures are also presented in Annex 1a (Tables [A1](#) and [A2](#)).

Main points:

- In 2009/10 the proportion of working age adults in relative poverty ([BHC](#)) increased slightly but, after rounding, remained at 16 percent. This represented an increase of 20 thousand individuals.
- The proportion of working age adults in relative poverty ([AHC](#)) remained stable between 2008/09 and 2009/10, while the proportion of working-age adults in absolute poverty ([BHC](#)) fell by 1 percentage point to 10 percent in the same time period.
- The proportion in absolute poverty ([AHC](#)) remained unchanged in 2008/09.

## 2.4 Pensioner poverty

### Pensioner Material Deprivation Indicator:

This publication presents for the first time estimates of pensioner material deprivation in Scotland – an additional way to measure the living standards of pensioners. 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 Chart 2 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 families 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

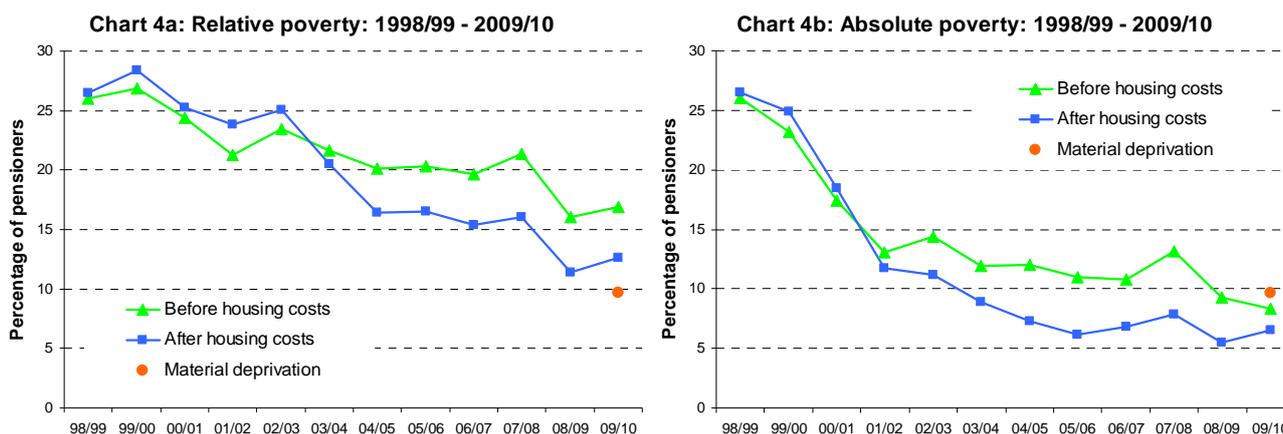
deprivation can occur because of ill health, disability or social isolation, and not just for financial reasons.

- 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 these figures 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: [http://research.dwp.gov.uk/asd/hbai/technical\\_note\\_20110307.pdf](http://research.dwp.gov.uk/asd/hbai/technical_note_20110307.pdf)

Charts 4a and 4b below present recent trends for the three main pensioner poverty indicators: Relative poverty, absolute poverty and the new material deprivation indicator. Note that for relative and absolute poverty the figures are based on income [after housing costs](#). This is a more commonly used measure for pensioner households as many of them have low housing costs. Further discussion on whether it is better to use before or after housing costs can be found in the [Introduction](#).



Source: HBAI dataset, DWP. These figures are also presented in Annex 1a (Tables [A1](#) and [A2](#)).

Note: The material deprivation figure is calculated as a percentage of all over 65s whereas the relative and absolute poverty rates are calculated as a percentage of all pensioners (including women aged 60 to 65).

#### Main points:

- Pensioner relative poverty [BHC](#) decreased from 26 percent in 1998/99 to 17 percent in 2009/10. The pensioner relative poverty measure [AHC](#) decreased at a greater rate - from 27 percent in 1998/99 to 13 percent in 2009/10.
- Between 1998/99 and 2009/10 the falls in poverty rates for pensioners have been greater than the comparable falls for children and working age adults.
- There was a slight increase in the pensioner poverty rates for three of these four indicators between 2008/09 and 2009/10. However, this followed a fairly large fall the year before. Between 2007/08 and 2009/10 relative poverty ([AHC](#)) fell by 3 percentage points. Over this period there was little change in relative poverty among children and a slight increase in relative poverty among working age adults.
- 10 percent of over 65s are materially deprived according to the new indicator.

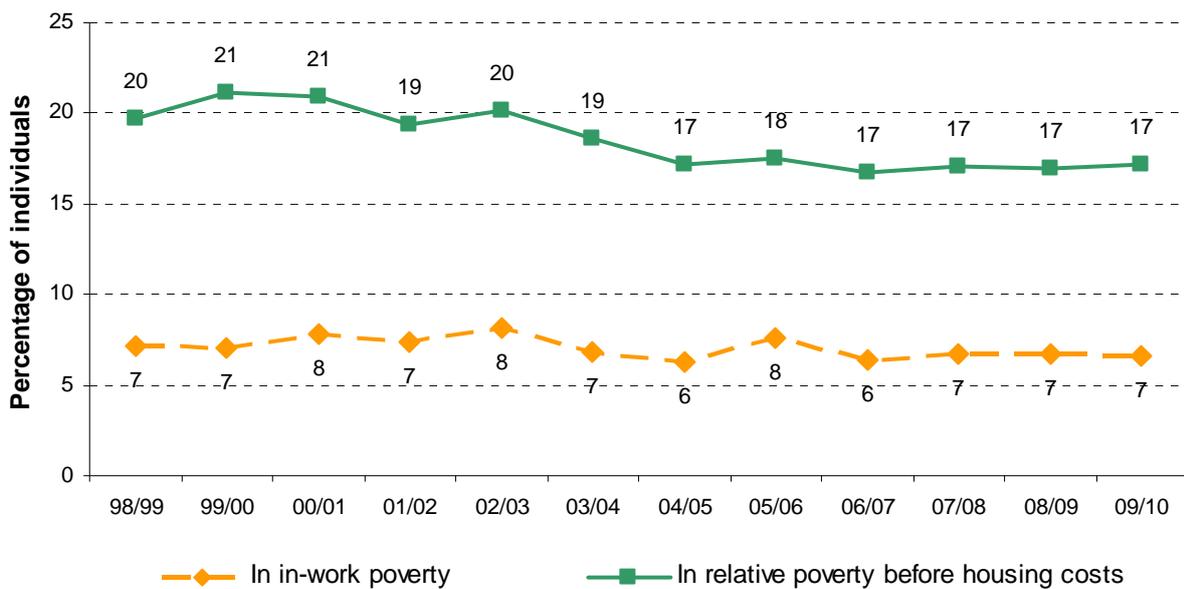
## 2.5 In-work poverty

### In-work poverty:

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 poverty threshold. This group contains non-working household members such as children and non-working partners.

Chart 5 compares recent Scottish in-work poverty trends with the relative poverty trends.

**Chart 5: Proportion of individuals in in-work poverty (relative poverty before housing costs): 1998/99 - 2009/10**



Source: HBAI dataset, DWP. These figures are also presented in Annex 1a (Table A4).

Note: All the in-work poverty figures (the dotted line) have been revised from the previous year's publication 'Poverty and income inequality in Scotland: 2008/09'. This is because the family economic status classification has been revised to be in line with the International Labour Organisation economic status classification.

#### Main points:

- During 2009/10, 7 percent of people in Scotland were in in-work poverty. These people live in households in relative poverty (BHC) despite the fact that these households contain a working member.
- Relative poverty (BHC) has reduced over the last ten years from around 20 to 21 percent in 1999/2000 to 17 percent in 2009/10. However, in-work poverty trends have been fairly flat over this period and remained at around 6 to 8 percent of the population.

## Chapter 3: Income Inequality and the distribution of income

The tables and charts in this section provide information about income inequality, the distribution of income and the types of families which are most common at the top and bottom of the income distribution.

### Deciles / decile points:

Deciles (or decile points) are the income values which divide the Scotland 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.

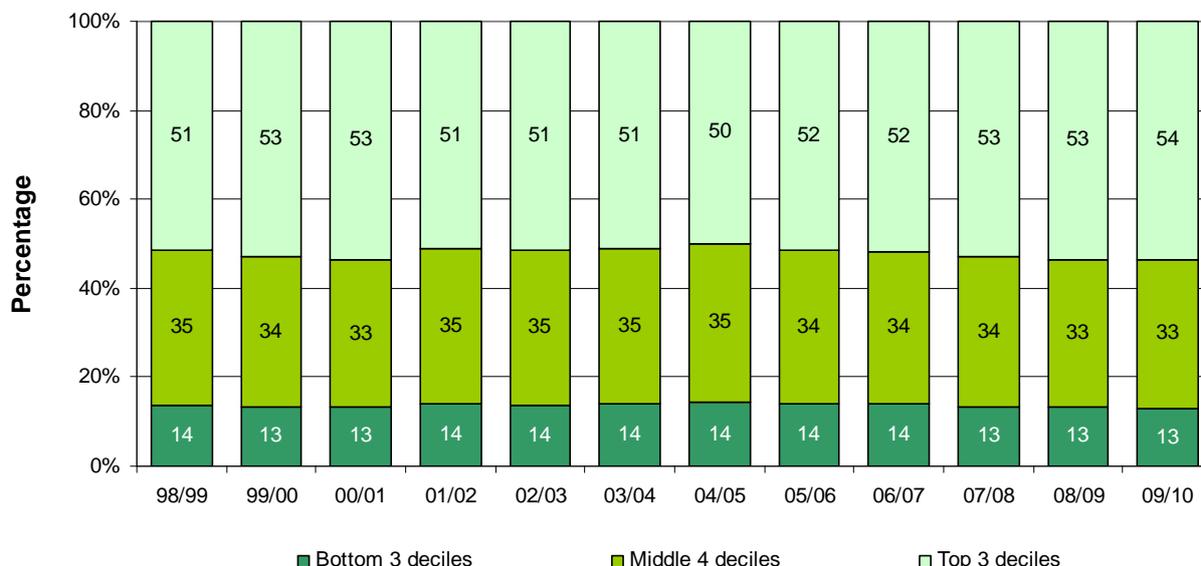
### Decile groups:

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.

The following chart and table present figures that relate 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".

Chart 6 shows the proportion of total income received by the three lowest income deciles (the thirty percent of the population with the lowest incomes), from 1998/99 to 2009/10. It also shows the proportion of total income received by the three highest income deciles. This is a measure of how equally income is distributed across the population.

**Chart 6: Percentage of total equivalised income going to the bottom and top three income deciles: Scotland 1998/99 - 2009/10**



Source: HBAI dataset, DWP. Note: The sum of all parts may not equal the total due to rounding.

### Main points:

- Between 2004/05 and 2009/10 there has been a gradual increase in the proportion of income received by those in the top three income deciles, from 50 to 54 percent. This suggests a slight increase in income inequality.

- Over this period the proportion of total income received by those in the bottom three income deciles has decreased slightly from 14 to 13 percent of overall income.
- Between 2008/09 and 2009/10 the proportion of income received by those in the top three income deciles increased from 53 to 54 percent.

### 3.1 Income thresholds

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, the following table presents some commonly used income thresholds, before equivalisation, for families of different sizes.

**Table 1 - Income thresholds for different family types (income after tax and [BHC](#))**

	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)	276	14,370	413	21,450	495	25,750	631	32,830
Scottish median income (before housing costs)	280	14,580	419	21,770	502	26,120	640	33,300
60% of UK median income (before housing costs) - relative poverty threshold	166	8,620	248	12,870	297	15,450	379	19,700
60% of inflation adjusted 1998/99 GB median income (before housing costs) - absolute poverty threshold	140	7,290	209	10,880	251	13,060	320	16,650
Scottish 1st income decile	141	7,320	210	10,930	252	13,120	322	16,730
Scottish 2nd income decile	177	9,200	264	13,730	317	16,480	404	21,010
Scottish 3rd income decile	211	10,960	314	16,350	377	19,620	481	25,020
Scottish 4th income decile	248	12,890	370	19,240	444	23,090	566	29,430
Scottish 5th income decile	280	14,580	419	21,770	502	26,120	640	33,300
Scottish 6th income decile	320	16,650	478	24,860	574	29,830	731	38,030
Scottish 7th income decile	370	19,260	553	28,750	663	34,500	846	43,980
Scottish 8th income decile	427	22,210	637	33,140	765	39,770	975	50,710
Scottish 9th income decile	543	28,250	811	42,170	973	50,600	1,241	64,520

Source: HBAI dataset, DWP. Note: To create ten decile groups only nine decile points are needed to split the population.

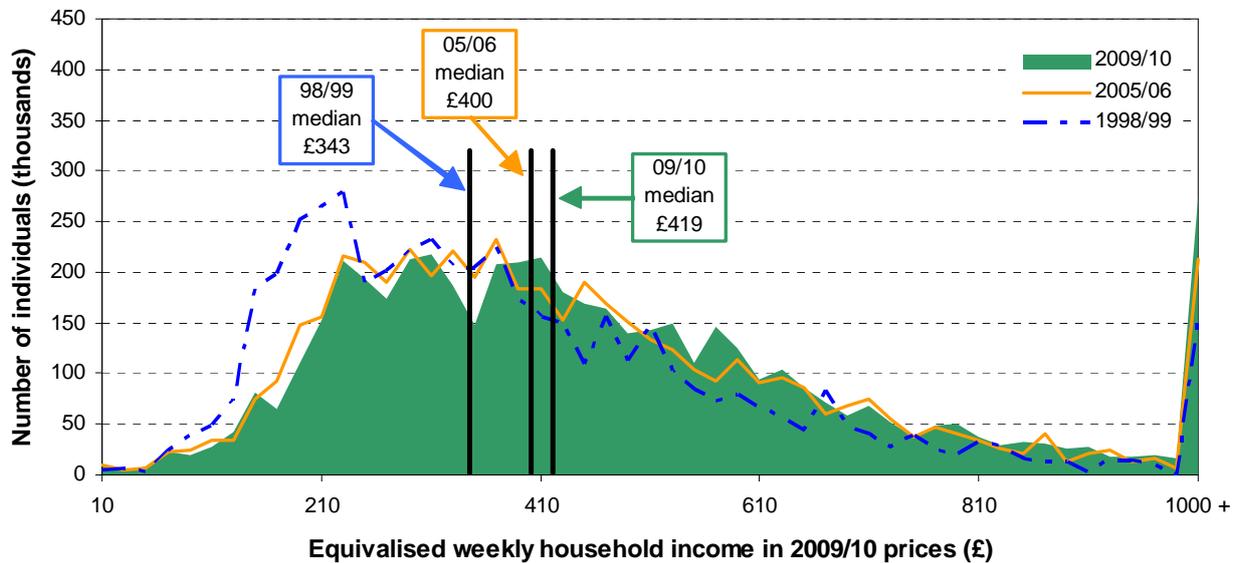
Main points:

- The relative poverty ([BHC](#)) threshold is equivalent to £166 per week for a single person or £379 per week for a couple with one young and one older child.
- A couple with no children with a combined income of over £33,140 (after tax) would be in the highest income 20 percent of the population.

### 3.2 Income distribution

Chart 7 below shows how the distribution of income across Scotland changed between 1998/99 and 2009/10. The shaded area shows the shape of the 2009/10 income distribution, the continuous line for 2005/06 and the dotted line for 1998/99. The 1998/99 and 2005/06 figures are adjusted for inflation and are in 2009/10 prices.

**Chart 7: Equivalised weekly household income distribution  
(BHC): Scotland - 1998/99, 2005/06 and 2009/10**



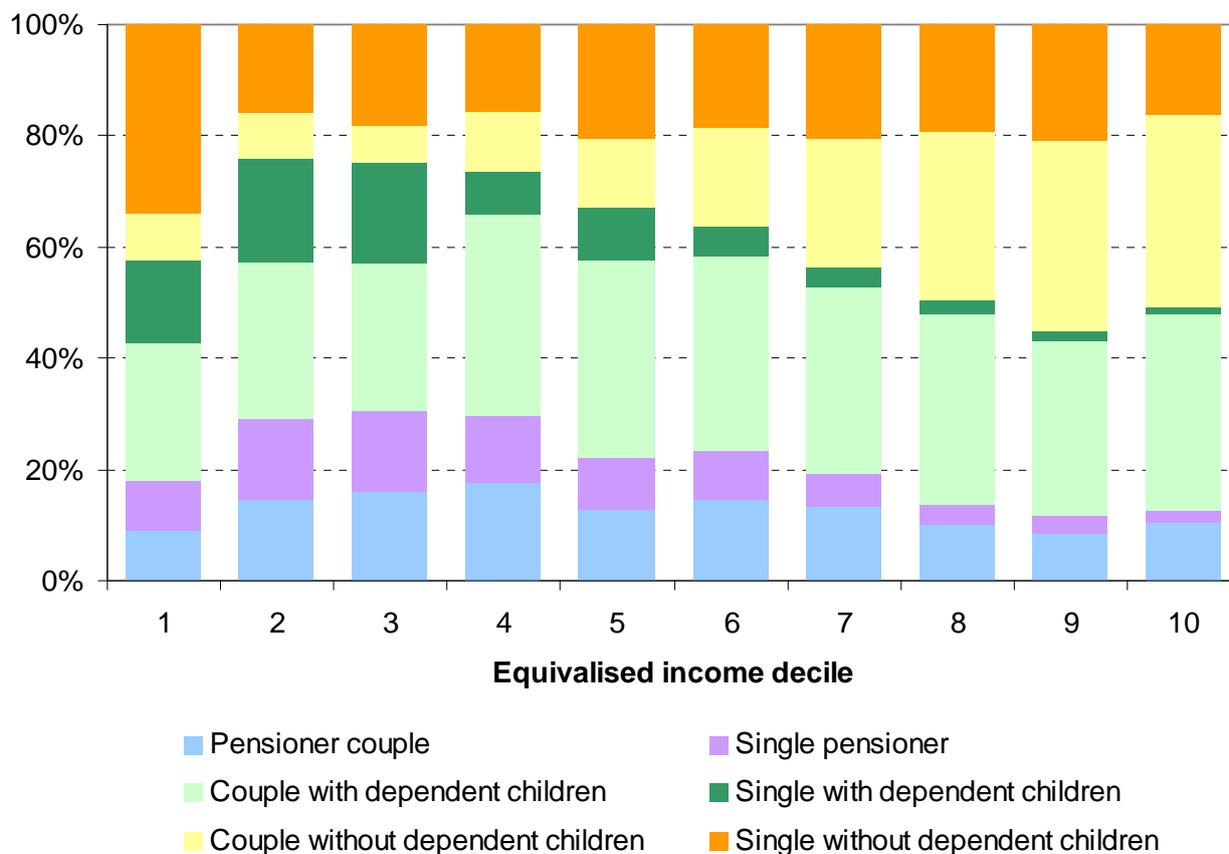
Source: HBAI dataset, DWP.

#### Main points:

- Between 1998/99 and 2005/06 people's incomes rose in real terms and because of this the shape of the income distribution moved to the right.
- Between 2005/06 and 2009/10 the overall shape of the income distribution has broadly stayed the same. Thus incomes in real terms have changed little over this period.
- The median income has increased from £343 per week in 1998/99 to £419 per week in 2009/10, after adjusting for inflation. The relative poverty threshold is based on this median and this also increased.

Chart 8 below shows the composition of family types by equivalised income decile.

**Chart 8: Family type by equivalised income decile: 2009/10**



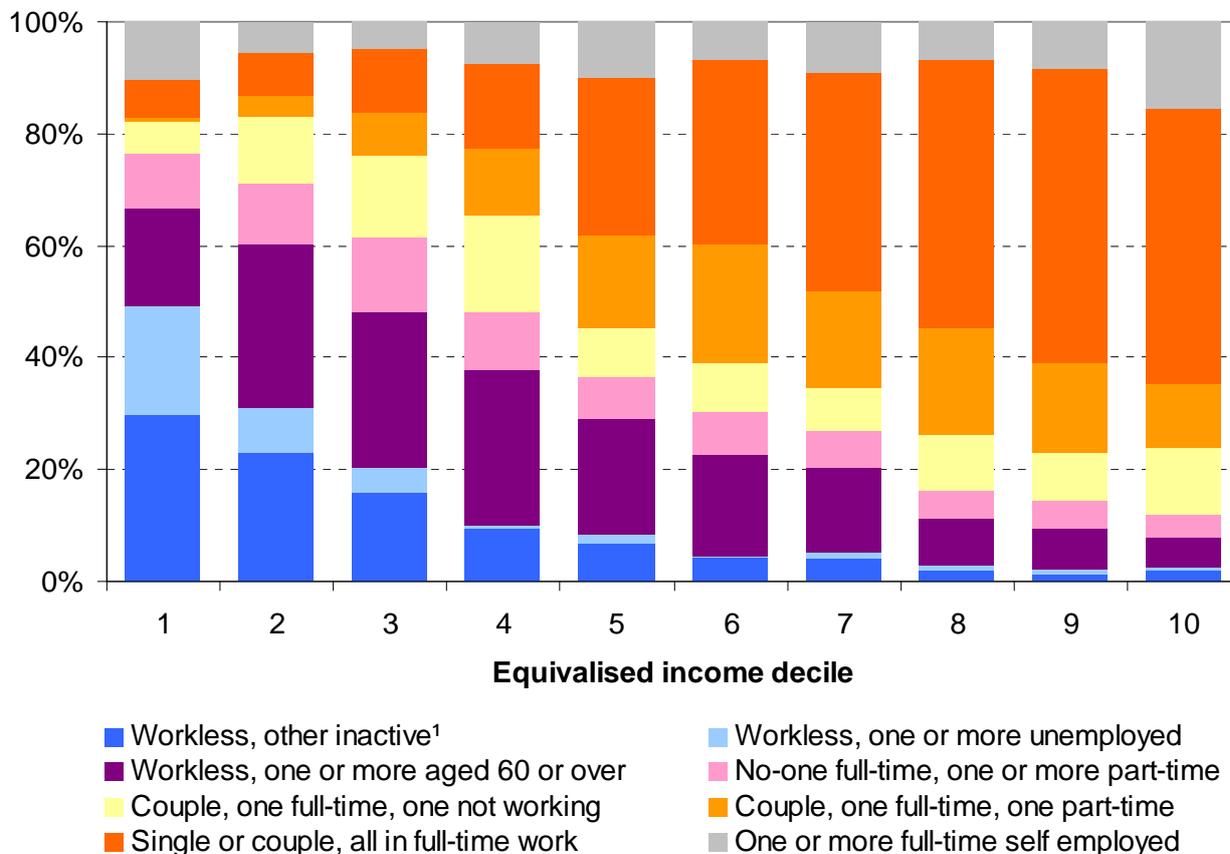
Source: HBAI dataset, DWP. These figures are also presented in Annex 1a (Table [A5](#)).

**Main points:**

- There are higher proportions of single people with dependent children towards the lower end of the income distribution.
- Single people without dependent children make up over a third of those in the lowest decile, and around 20 percent in the other deciles.
- There are also more pensioners towards the lower end of the income distribution – the second, third and fourth income deciles contain the highest proportions.
- There are more couples without children towards the top end of the income distribution.

Chart 9 below shows the composition of the economic status of families by equivalised income decile.

**Chart 9: Economic status of family by equivalised income decile: 2009/10**



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

Notes: 1. The 'workless, other inactive category' would include, for example, non-working single parents, or those who cannot work due to long-term sickness or disability.

2. The figures used to produce this chart have been calculated in a slightly different way to those in chart 9 in the previous year's publication 'Poverty and income inequality in Scotland: 2008/09' and are not directly comparable. This is because the family economic status classification has been revised to be in line with the International Labour Organisation economic status classification.

**Main points:**

- Families where no-one is working either through unemployment, retirement or economic inactivity (those who are neither in work, nor looking for work) are more common towards the bottom of the income distribution. 58 percent of people in the bottom three income deciles are in families of these types compared to 10 percent in the top three deciles.
- People in families where at least one adult is working full-time make up 75 percent of those in the top three deciles. Such families make up 23 percent of those in the bottom three deciles.

## Chapter 4: Persistent poverty<sup>1</sup>

### Persistent Poverty:

Defined as spending three or more years out of any four year period in relative poverty.

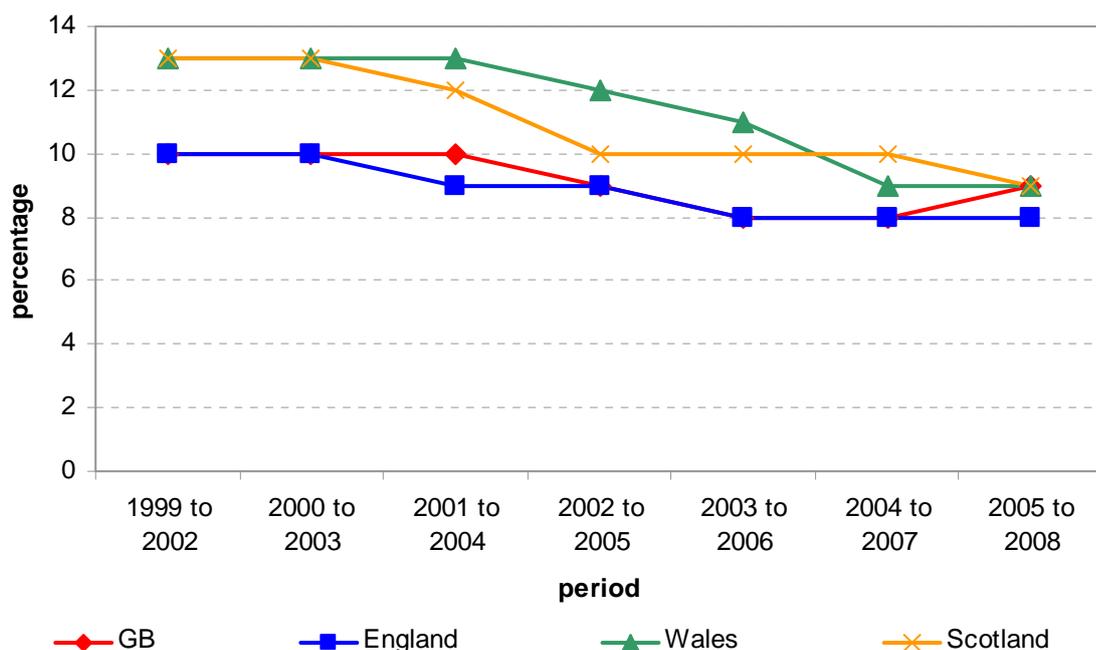
The analysis contained in Chapters 1-3 uses a “snapshot” survey, and records usual income at one point in time and doesn’t distinguish between families who are in poverty for a long time and those which “dip into” poverty for a short period through transitory fluctuations in income. The measurement of persistent poverty addresses these limitations in the “snapshot” poverty indicators using longitudinal data. Figures for persistent poverty in Scotland are included in this publication for the first time, following recent work by Department for Work and Pensions analysts to produce country-level estimates using data from the British Household Panel Survey (BHPS).

Further information on the BHPS can be found via the following link:

<http://www.iser.essex.ac.uk/survey/bhps>

Chart 10 below presents the percentage of people in persistent poverty (BHC) between 1999 to 2002 and 2005 to 2008 in England, Wales and Scotland.

Chart 10: Percentage of individuals in persistent poverty (BHC)



Source: BHPS data, DWP. These figures are also presented in Annex 1b (Table B1).

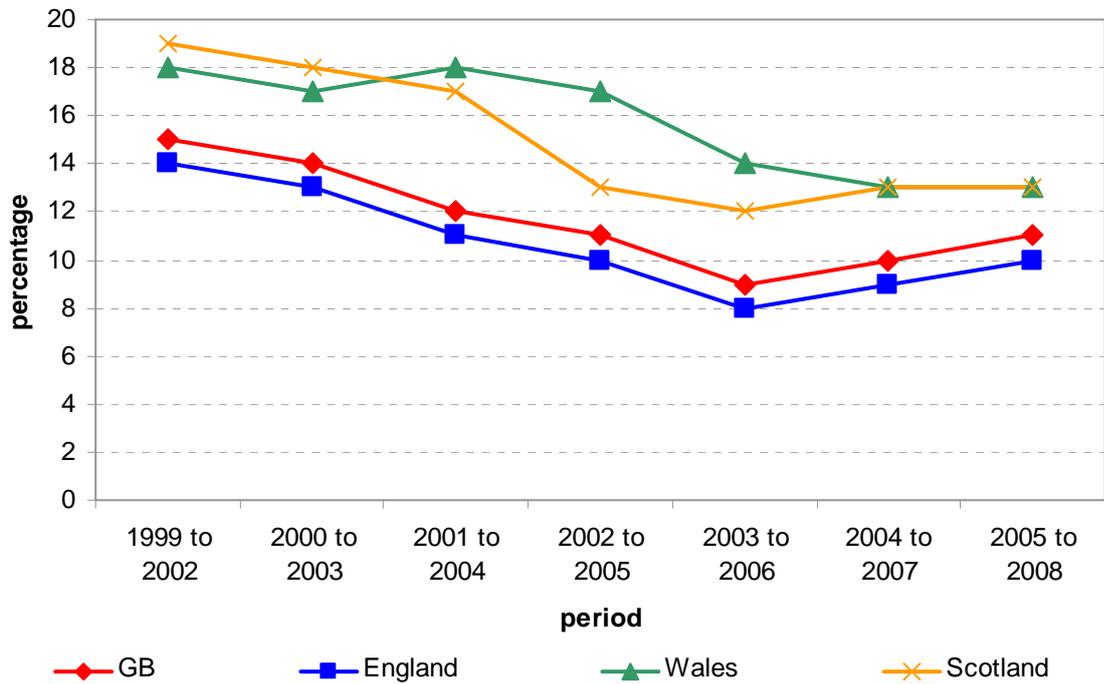
### Main points:

- Over this period persistent poverty fell in all three countries.
- In Scotland it fell from around 13 percent to around 9 percent.
- Scottish and Welsh persistent poverty rates were broadly comparable and were between 1 and 3 percentage points higher than the English rates.

<sup>1</sup> Note on statistical classification: The figures in this section have been calculated from the British Household Panel Survey (BHPS), a different source to that used for figures in other sections. The BHPS is the data source used for the DWP [Low income dynamics](#) publication, a National Statistics product. Although these figures are comparable in quality to those in Low income dynamics, they have not been assessed by the Statistics Authority and so, unlike the figures in other sections of this document, are not classified as National Statistics.

Chart 11 presents recent trends for the percentage of children in persistent poverty ([BHC](#)).

**Chart 11: Percentage of children in persistent poverty ([BHC](#))**



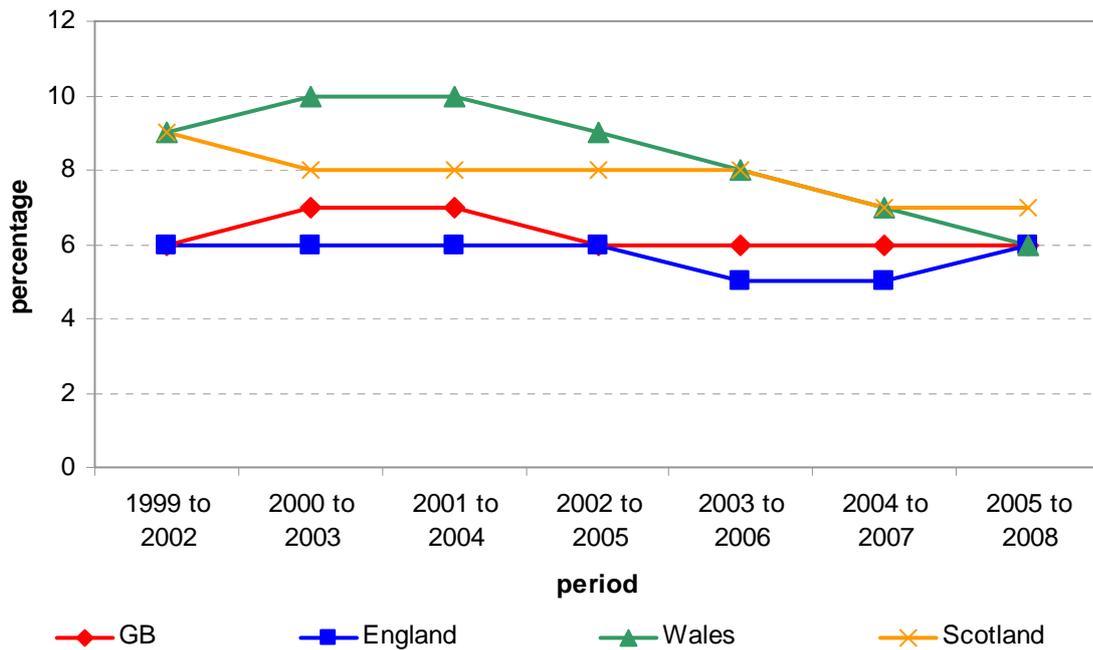
Source: BHPS data, DWP. These figures are also presented in Annex 1b (Table [B1](#)).

**Main points:**

- Persistent poverty rates for children fell across all the GB countries between 1999 to 2002 and 2005 to 2008.
- Rates in Wales and Scotland are similar, and are slightly higher than those for England.
- Over the period 2005 to 2008, 13 percent of children in Wales and Scotland were in persistent poverty ([BHC](#)), the comparable figure for England was 10 percent.

Chart 12 presents persistent poverty rates for working age adults.

**Chart 12: Percentage of working age adults in persistent poverty (BHC)**



Source: BHPS data, DWP. These figures are also presented in Annex 1b (Table B1).

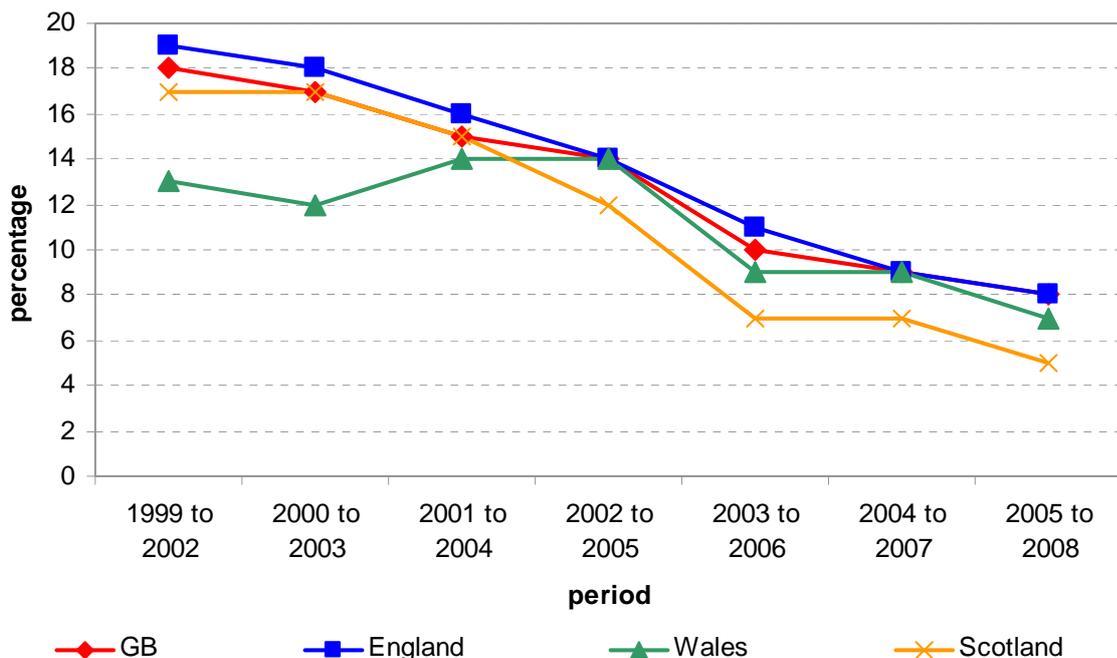
Main points:

- Persistent poverty rates for working age adults are lower than for children and pensioners.
- Between 1999 to 2002 and 2005 to 2008 these rates were relatively flat in England and Scotland.
- There was a fall of around 3 percentage points in Wales over this period.

Chart 13 presents persistent poverty figures for pensioners. Unlike the figures in previous charts, these are based on income [after housing costs](#). This is a more commonly used measure for pensioner households as many of them have low housing costs. Further discussion on whether it is better to use before or after housing costs can be found in the [Introduction](#).

Between 1999 to 2002 and 2005 to 2008 persistent poverty has fallen more among pensioners than any of the groups examined in this note.

**Chart 13: Percentage of pensioners in persistent poverty (AHC)**



Source: BHPS data, DWP. These figures are also presented in Annex 1b (Table [B2](#)).

- In Scotland persistent poverty ([AHC](#)) fell from 17 percent to 5 percent over this period.
- This was the largest drop seen in any GB country for this group.

## **Annexes**

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## Annex 1a: Tables from the Family Resources Survey

Table A1: Relative poverty (below 60% of UK median income in the same year) in Scottish households: 1994/95 to 2009/10

	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	23	1,120	25	260	27	280	18	530	20	620	23	210	25	220
2003/04	19	920	21	1,020	24	250	27	280	16	480	18	560	22	190	21	180
2004/05	17	860	19	960	21	210	25	250	15	460	18	560	20	190	16	150
2005/06	18	880	20	990	21	210	24	250	15	470	19	590	20	190	16	150
2006/07	17	840	19	950	21	210	25	250	14	440	18	550	20	180	15	140
2007/08	17	860	19	970	20	200	24	240	15	460	19	580	21	200	16	150
2008/09	17	860	19	970	21	210	26	260	16	490	19	600	16	150	11	110
2009/10	17	870	19	970	20	200	25	250	16	510	19	600	17	160	13	120

Source: HBAI dataset, DWP.

Table A2: Absolute poverty (below 60% of inflation adjusted 1998/99 GB median income) in Scottish households: 1994/95 to 2009/10

	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	25	1,240	28	1,380	32	350	34	380	19	590	22	660	35	300	39	340
1995/96	25	1,230	27	1,340	33	370	36	400	18	550	20	610	37	320	37	330
1996/97	24	1,220	27	1,360	34	370	36	400	18	540	21	650	35	310	36	320
1997/98	21	1,060	23	1,170	31	340	32	350	16	490	19	560	26	230	30	260
1998/99	20	980	23	1,130	28	300	31	330	15	450	19	570	26	230	27	230
1999/00	19	950	22	1,120	26	280	30	320	15	470	19	580	23	200	25	220
2000/01	17	850	20	990	22	230	25	270	16	470	18	550	17	150	18	160
2001/02	13	640	15	740	16	170	20	210	11	350	14	430	13	120	12	100
2002/03	14	710	16	770	16	170	19	200	14	410	16	480	14	130	11	100
2003/04	12	610	14	670	15	160	18	180	11	350	13	410	12	110	9	80
2004/05	11	560	12	620	13	130	15	160	11	320	13	390	12	110	7	70
2005/06	11	550	12	600	12	130	14	140	11	330	13	400	11	100	6	60
2006/07	10	510	12	600	12	120	15	150	10	300	12	390	11	100	7	60
2007/08	11	560	12	590	12	120	13	130	10	310	13	390	13	120	8	70
2008/09	11	540	12	630	11	110	15	150	11	340	14	430	9	90	6	50
2009/10	10	500	13	640	10	100	15	150	10	310	14	430	8	80	7	60

Source: HBAI dataset, DWP.

Table A3: Children in combined material deprivation and low income (below 70% of UK median income in the same year) in Scottish households: 2004/05 to 2009/10

	%	000s
2004/05	16	170
2005/06	13	130
2006/07	16	160
2007/08	15	150
2008/09	16	160
2009/10	15	150

Source: HBAI dataset, DWP.

Table A4: Individuals in in-work poverty (relative poverty [BHC](#)) in Scotland: 1997/98 to 2009/10

	In in-work poverty		In relative poverty before housing costs	
	000s	%	000s	%
98/99	360	7	980	20
99/00	350	7	1,050	21
00/01	390	8	1,040	21
01/02	370	7	960	19
02/03	400	8	1,000	20
03/04	340	7	920	19
04/05	310	6	860	17
05/06	380	8	880	18
06/07	320	6	840	17
07/08	340	7	860	17
08/09	340	7	860	17
09/10	330	7	870	17

Source: HBAI dataset, DWP.

Note: All the in-work poverty figures in this table have been revised from the previous year's publication 'Poverty and income inequality in Scotland: 2008/09'. This is because the family economic status classification has been revised to be in line with the International Labour Organisation economic status classification.

Table A5: Family type by equivalised income decile: Scotland 2009/10

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	50	9	50	9	130	25	80	15	40	8	170	34
2	70	15	70	14	140	28	90	18	40	8	80	16
3	80	16	70	15	130	26	90	18	30	7	90	18
4	90	18	60	12	180	36	40	8	60	11	80	16
5	60	13	50	9	180	36	50	9	60	12	100	20
6	70	15	40	9	180	35	30	6	90	17	90	19
7	70	13	30	6	170	34	20	4	120	23	100	20
8	50	10	20	4	170	34	10	3	150	30	100	19
9	40	9	20	3	160	31	10	2	170	34	110	21
10	50	10	10	3	180	35	10	1	180	35	80	16
Total	650		420		1,630		430		950		1,010	

Source: HBAI dataset, DWP.

Table A6: Economic status of families by equivalised income decile: Scotland 2009/10

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		Workless, head or spouse aged 60 or over		Workless head or spouse unemployed		Workless, other inactive	
	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%	000s	%
1	50	10	40	7	0	1	30	6	50	10	90	18	100	19	150	30
2	30	5	40	8	20	4	60	12	60	11	150	29	40	8	120	23
3	30	5	60	11	40	8	70	14	70	13	140	28	20	5	80	16
4	40	7	80	15	60	12	90	17	50	10	140	28	0	1	50	9
5	50	10	140	28	80	17	40	9	40	7	100	21	10	2	30	7
6	30	7	170	33	110	21	40	9	40	8	90	18	0	0	20	4
7	50	9	200	39	90	17	40	8	30	6	80	15	0	1	20	4
8	30	7	240	48	100	19	50	10	20	5	40	9	0	1	10	2
9	40	8	270	53	80	16	40	8	30	5	40	7	0	1	10	1
10	80	16	250	49	60	11	60	12	20	4	30	5	0	0	10	2
Total	380		1,380		680		610		470		880		160		520	

Source: HBAI dataset, DWP.

## Annex 1b: Tables from the British Household Panel Survey

Table B1: Persistent low income by group ([BHC](#))<sup>1,2</sup>

	Percentage of group below threshold in at least 3 out of 4 years															
	"Relative poverty" definition								Alternative definition <sup>3</sup>							
	Below 60% of median				Below 70% of median				In bottom 20 per cent				In bottom 30 per cent			
All individuals	GB	England	Wales	Scotland	GB	England	Wales	Scotland	GB	England	Wales	Scotland	GB	England	Wales	Scotland
1999 to 2002	10	10	13	13	18	18	22	22	13	13	16	16	23	23	28	26
2000 to 2003	10	10	13	13	19	18	23	21	13	13	17	16	23	23	30	27
2001 to 2004	10	9	13	12	18	17	23	21	13	13	18	16	23	22	31	27
2002 to 2005	9	9	12	10	17	16	20	20	13	13	17	16	22	22	28	25
2003 to 2006	8	8	11	10	16	16	20	19	12	12	16	14	22	22	28	24
2004 to 2007	8	8	9	10	16	16	20	17	12	12	15	13	22	22	28	24
2005 to 2008	9	8	9	9	16	16	23	16	12	12	15	12	22	22	29	22
Change between last two periods	1	0	0	-1	0	0	3	-1	0	0	0	-1	0	0	1	-2
<b>Children</b>																
1999 to 2002	15	14	18	19	25	25	28	28	18	18	22	23	31	30	33	33
2000 to 2003	14	13	17	18	24	24	29	25	18	17	22	22	30	29	38	32
2001 to 2004	12	11	18	17	22	22	29	26	17	16	24	22	29	28	39	35
2002 to 2005	11	10	17	13	21	20	26	24	16	15	21	19	27	26	39	30
2003 to 2006	9	8	14	12	19	18	26	22	14	13	21	16	26	25	36	29
2004 to 2007	10	9	13	13	19	18	29	20	14	14	20	16	27	26	39	30
2005 to 2008	11	10	13	13	20	20	35	19	15	15	21	16	27	26	41	27
Change between last two periods	1	1	0	0	1	2	6	-1	1	1	1	0	0	0	2	-3
<b>Working-age adults</b>																
1999 to 2002	6	6	9	9	11	11	16	15	8	8	12	11	15	15	21	18
2000 to 2003	7	6	10	8	12	12	17	14	9	8	13	10	16	15	23	19
2001 to 2004	7	6	10	8	12	11	17	13	9	8	14	11	16	15	23	18
2002 to 2005	6	6	9	8	11	11	15	14	9	8	13	11	15	15	21	18
2003 to 2006	6	5	8	8	11	11	16	13	8	8	12	10	16	15	22	16
2004 to 2007	6	5	7	7	11	11	15	11	8	8	11	9	16	16	22	16
2005 to 2008	6	6	6	7	12	11	17	12	9	9	12	9	16	15	22	16
Change between last two periods	0	1	-1	0	1	0	2	1	1	1	1	0	0	-1	0	0
<b>Pensioners</b>																
1999 to 2002	19	19	20	20	35	35	35	42	25	25	24	26	42	41	45	48
2000 to 2003	18	18	17	22	35	34	34	41	25	25	23	29	42	41	45	51
2001 to 2004	17	16	17	20	34	33	33	43	25	24	24	31	41	40	45	50
2002 to 2005	16	16	16	16	31	30	28	38	25	24	24	29	41	40	39	47
2003 to 2006	16	16	14	16	30	30	27	34	23	23	22	26	40	40	37	45
2004 to 2007	14	15	10	14	28	28	25	31	23	23	20	23	38	38	36	42
2005 to 2008	14	14	13	11	27	27	24	26	21	22	19	18	36	36	36	36
Change between last two periods	0	-1	3	-3	-1	-1	-1	-5	-2	-1	-1	-5	-2	-2	0	-6

**Notes:**

1. Some of the figures presented in the table above have seen revisions since the last data supplied. This is due to changes to the base dataset made by the data providers.

2. Figures may not sum due to rounding.

3. There is a higher density of individuals around 60% and 70% median income. The alternative definition is presented for validation purposes as it presents estimates that are not vulnerable to errors in measuring median income.

Source: BHPS data, DWP

Table B2: Persistent low income by group ([AHC](#))<sup>1,2</sup>

	Percentage of group below threshold in at least 3 out of 4 years															
	"Relative poverty" definition								Alternative definition <sup>3</sup>							
	Below 60% of median				Below 70% of median				In bottom 20 per cent				In bottom 30 per cent			
	GB	England	Wales	Scotland	GB	England	Wales	Scotland	GB	England	Wales	Scotland	GB	England	Wales	Scotland
<b>All individuals</b>																
1999 to 2002	12	12	13	14	20	20	21	21	13	13	14	15	23	23	24	24
2000 to 2003	11	11	14	13	19	19	22	21	13	12	15	14	23	23	26	25
2001 to 2004	11	10	14	12	19	19	24	20	13	12	17	14	23	22	28	26
2002 to 2005	10	10	14	10	18	18	22	18	12	12	16	13	22	21	26	24
2003 to 2006	9	9	12	10	17	17	21	18	12	11	15	13	22	22	25	22
2004 to 2007	9	9	11	10	17	16	21	17	11	11	14	11	22	21	25	20
2005 to 2008	10	10	11	10	17	17	22	16	11	11	14	11	21	21	27	20
Change between last two periods	1	1	0	0	0	1	1	-1	0	0	0	0	-1	0	2	0
<b>Children</b>																
1999 to 2002	18	17	19	22	28	28	28	28	19	19	20	23	32	32	33	32
2000 to 2003	16	15	21	20	27	26	32	28	18	17	23	21	32	31	35	33
2001 to 2004	14	14	21	18	25	25	33	27	18	17	24	21	30	29	39	35
2002 to 2005	14	14	20	15	24	24	33	25	17	17	24	19	29	29	38	30
2003 to 2006	13	13	20	16	23	22	31	25	17	17	23	20	31	30	36	28
2004 to 2007	13	13	17	15	24	23	34	24	17	16	23	19	30	29	39	27
2005 to 2008	16	15	19	18	25	24	38	25	18	17	23	19	30	30	45	28
Change between last two periods	3	2	2	3	1	1	4	1	1	1	0	0	0	1	6	1
<b>Working-age adults</b>																
1999 to 2002	8	8	11	11	13	13	17	15	9	8	11	11	16	15	19	18
2000 to 2003	8	7	11	9	14	13	18	16	9	8	13	10	16	16	21	19
2001 to 2004	8	7	12	9	13	13	19	14	9	9	14	10	16	16	22	19
2002 to 2005	8	7	11	8	13	13	18	14	9	9	13	10	16	15	21	18
2003 to 2006	7	7	10	9	13	13	18	14	9	9	13	11	17	16	22	17
2004 to 2007	7	7	9	8	13	13	18	13	9	8	12	9	17	16	21	16
2005 to 2008	8	8	10	9	13	13	18	13	9	9	12	10	16	16	22	16
Change between last two periods	1	1	1	1	0	0	0	0	0	1	0	1	-1	0	1	0
<b>Pensioners</b>																
1999 to 2002	18	19	13	17	33	33	26	32	21	21	16	19	37	37	29	38
2000 to 2003	17	18	12	17	31	31	24	33	20	21	15	20	35	35	29	39
2001 to 2004	15	16	14	15	30	30	26	32	19	20	17	18	35	35	30	39
2002 to 2005	14	14	14	12	27	28	23	24	17	17	16	17	33	33	28	34
2003 to 2006	10	11	9	7	24	25	19	20	14	15	13	13	32	32	25	32
2004 to 2007	9	9	9	7	20	21	16	19	11	11	12	11	28	29	23	27
2005 to 2008	8	8	7	5	20	20	16	16	11	11	9	8	27	28	23	23
Change between last two periods	-1	-1	-2	-2	0	-1	0	-3	0	0	-3	-3	-1	-1	0	-4

**Notes:**

1. Some of the figures presented in the table above have seen revisions since the last data supplied. This is due to changes to the base dataset made by the data providers.
2. Figures may not sum due to rounding.
3. There is a higher density of individuals around 60% and 70% median income. The alternative definition is presented for validation purposes as it presents estimates that are not vulnerable to errors in measuring median income.

Source: BHPS data, DWP

## Annex 2: Data Sources and Definitions

### Data sources

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

With the exception of the persistent poverty figures in Chapter 4, 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: 2009/10' on the same day as 'Poverty and income inequality in Scotland'. For the UK figures, as well as more detail about the way these figures are collected and calculated, see the DWP website:

<http://research.dwp.gov.uk/asd/index.php?page=hbai>.

#### **British Household Panel Survey (BHPS):**

These figures come from the British Household Panel Survey (BHPS), a large scale longitudinal household survey in the UK. For details of the survey methodology and explanation of the income definition used see section 1 and the first and second appendices of the DWP publication "Low-Income Dynamics (Great Britain) 1991-2008":

<http://research.dwp.gov.uk/asd/index.php?page=lid>

The FRS and BHPS use different income definitions and so figures which come from the two surveys are not comparable with each other and any comparisons should be made with caution. For information about the difference between the FRS and BHPS figures see the income dynamics publication. The figures presented here are also not directly comparable to those in the DWP Income Dynamics publication. This is because, to produce figures which are comparable at country level - a slightly different methodology has been used, including using some different groups of people, to that used for the Low Income Dynamics report. Comparison of the GB figures in this report to those in the Low Income Dynamics report will reveal however, that the two series are close together. In practice anyone making comparisons between these figures and those in Low Income Dynamics should bear this in mind.

#### **Future plans for updating persistent poverty figures**

The British Household Panel Survey (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 during 2012. For more detail see

[www.understandingsociety.org.uk](http://www.understandingsociety.org.uk).

### 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 and [section 1.2](#) 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.
- **Equivalisation** is the process by which household income is adjusted by household size and composition as a proxy for material living standards. Household incomes are divided by household equivalence factors which vary according to the number of adults and the number and age of dependants in the household. Further information on equivalisation can be found in [section 1.2](#) of this report and in the following report on the Scottish Government website: <http://www.scotland.gov.uk/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% 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 significantly by the highest incomes, median income thresholds are widely accepted as a better benchmark when considering a derived measure for low income. Sixty percent of the median is the most commonly used low income measure.

For a couple with no children, the UK median income ([BHC](#)) in 2009/10 was £413 per week, this is a real terms increase of £64 (18%) since 1998/99 (the inflation adjusted median income in 1998/99 was £349). [After housing costs](#) the increase was from £288 per week in 1998/99 (inflation adjusted) to £356 in 2009/10. This is an increase of 24% or £68.

Consequently, the 60% low income threshold, which is used to derive the low income household figures, has increased by £38 per week ([BHC](#)) in real terms, from £209 in 1998/99 (inflation adjusted) to £248 in 2009/10. [After housing costs](#) the 60% low income threshold has increased by £41 per week in real terms, from £173 to £214.

### **Relative and absolute poverty:**

- **Absolute poverty:** individuals living in households whose equivalised income is below 60% of inflation adjusted median income in 1998/99. 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% 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 families 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). *Developing deprivation questions for the Family Resources Survey*, Department for Work and Pensions Working Paper Number 13 available at <http://research.dwp.gov.uk/asd/asd5/WP13.pdf>. Together, these questions form the best discriminator between those families 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 families.

A prevalence weighted approach has been used, in combination with a relative low income threshold. Prevalence weighting is a technique of scoring deprivation in which more weight in the deprivation measure is given to families lacking those items that most families 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.

For further information about material deprivation see Appendix 2 of the DWP 'Households below average income' publication.

### **Material Deprivation for Pensioners**

A suite of questions designed to capture the material deprivation experienced by pensioner families 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://research.dwp.gov.uk/asd/asd5/WP55.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://research.dwp.gov.uk/asd/asd5/WP54.pdf>. Together, these questions form the best discriminator between those pensioner families that are deprived and those that are not.

Where they do not have a good or service, they 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 pay. 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 families lacking those items that most pensioner families 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 [http://research.dwp.gov.uk/asd/index.php?page=hbai\\_arc](http://research.dwp.gov.uk/asd/index.php?page=hbai_arc).

### **Population Coverage**

Both the FRS and the BHPS are surveys 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.

### **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.

### **Detailed HBAI definitions and methodology**

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

<http://statistics.dwp.gov.uk/asd/index.php?page=hbai>

## Annex 3: Where to find more information

### Scottish Government websites:

Income and Poverty statistics website

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

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

<http://www.scotland.gov.uk/About/scotPerforms>

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

<http://www.scotland.gov.uk/Topics/People/tackling-poverty>

Confidence limits surrounding Scotland poverty estimates:

<http://www.scotland.gov.uk/Resource/Doc/1034/0052931.pdf>

High Level Summary of Statistics (Chapter 12, Social and Welfare)

<http://www.scotland.gov.uk/Topics/Statistics/About/HighLevelTrends>

For further information on all Scottish Government statistics

<http://www.scotland.gov.uk/topics/statistics/>

### UK Government websites:

Family Resources Survey, Department for Work and Pensions

<http://statistics.dwp.gov.uk/asd/frs/>

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

<http://statistics.dwp.gov.uk/asd/index.php?page=hbai>

UK Government action on child poverty

<http://www.education.gov.uk/childrenandyoungpeople/families/childpoverty>

### 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.scotland.gov.uk/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 0794 or [social-justice-analysis@scotland.gsi.gov.uk](mailto:social-justice-analysis@scotland.gsi.gov.uk).

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**

This is a National Statistics publication. National Statistics are produced to high professional standards as set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from political interference.

Further information about National Statistics can be viewed on the Scottish Government Statistics website at: <http://www.scotland.gov.uk/topics/statistics/about>.

### **Contact details**

Anne MacDonald, Tom Spencer and Andrew Duckering - Income and poverty statistics  
Telephone - 0131 244 0794

### **Release date and next update**

These figures were published on the 12<sup>th</sup> May 2011. They are due to be updated in April/May 2012.

### **Feedback**

The Scottish Government Social Justice Analysis team produced this publication and would be delighted to hear your comments or suggestions about how these figures could be made more useful to you. Please email [social-justice-analysis@scotland.gsi.gov.uk](mailto:social-justice-analysis@scotland.gsi.gov.uk) or phone 0131 244 0794.

### **Complaints and suggestions**

If you are not satisfied with our service, please write to the Chief Statistician, Mr Rob Wishart, 3R02, St Andrews House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail [rob.wishart@scotland.gsi.gov.uk](mailto:rob.wishart@scotland.gsi.gov.uk). We also welcome any comments or suggestions that would help us to improve our standards of service.

### **ScotStat**

Scotstat is the Scottish Government network for consulting on, and notifying users about, official statistics. If you would like to be consulted about new or existing statistical collections or receive notification of statistical releases, please register your interest on the Scottish Government ScotStat website at [www.scotland.gov.uk/scotstat](http://www.scotland.gov.uk/scotstat).

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