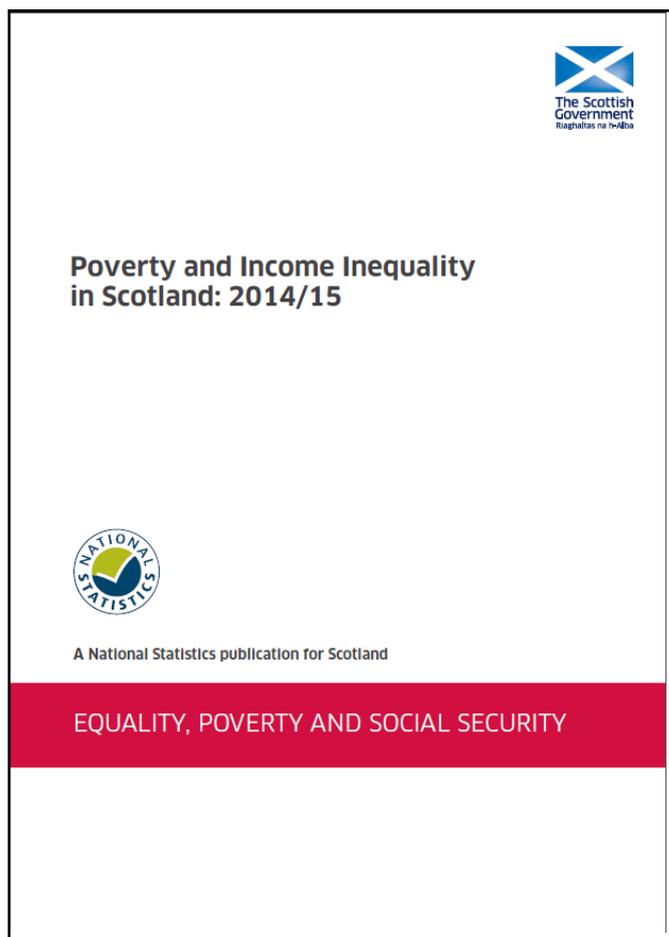


Poverty and Income Inequality

The analysis presented here provides information on particular groups of people in poverty.

Further discussion of trends in poverty and income inequality, and full details of how poverty is measured, can be found in the National Statistics publication [Poverty and Income Inequality in Scotland: 2014/15](#)



Definition of poverty

Poverty is defined as a household income below 60% of the UK median.

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.

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.

Poverty rates are also presented both before and after housing costs have been taken into account.

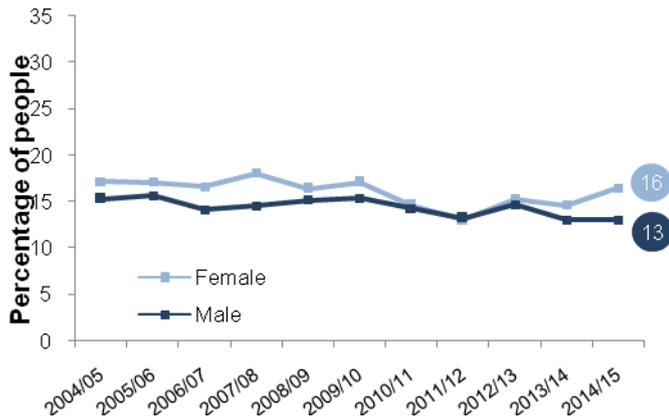
Presentation of statistics

All figures presented here are rounded to the nearest whole percentage point.

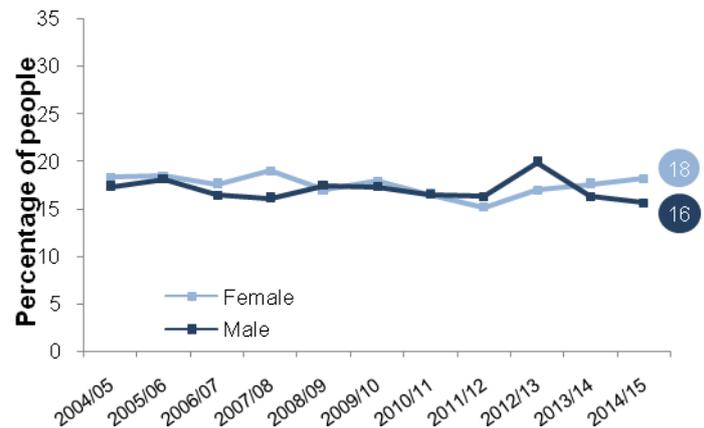
Unless specifically stated, annual changes in the percentages of people in poverty presented here are not statistically significant.

Poverty rates by gender

In 2014/15, **16% of women and 13% of men were living in relative poverty before housing costs (BHC)**. The percentage of women in poverty before housing costs has been higher than that for men for much of the last ten years but had decreased up until 2011/12 to the point where the rates for men and women were equal. Since then the male poverty rate has remained stable whilst the female poverty rate has risen.



After housing costs (AHC) 18% of women and 16% of men were living in poverty following a slight increase in female poverty and a slight decrease in male poverty since 2013/14. Prior to this the rates of poverty AHC for men and women had often been similar in the last ten years and the rate was higher for men than for women in both 2011/12 and 2012/13.

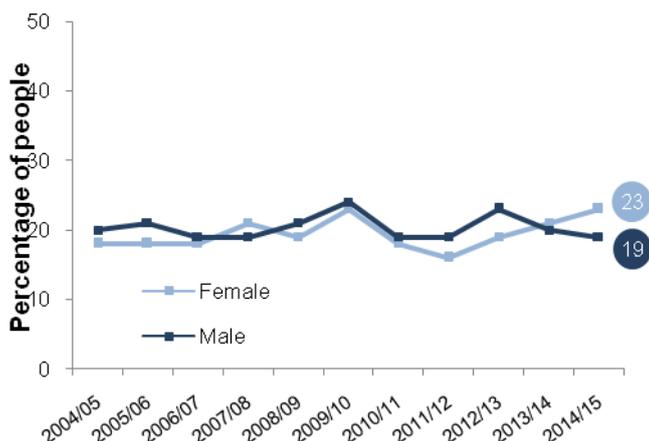


Despite the overall poverty rates for men and women being similar, there are significant differences when looking at poverty by household type. Around 60 per cent of adults live in couple families (with or without children) and as such will have the same measured rate of poverty (income is measured at the household level).

Single working age adults

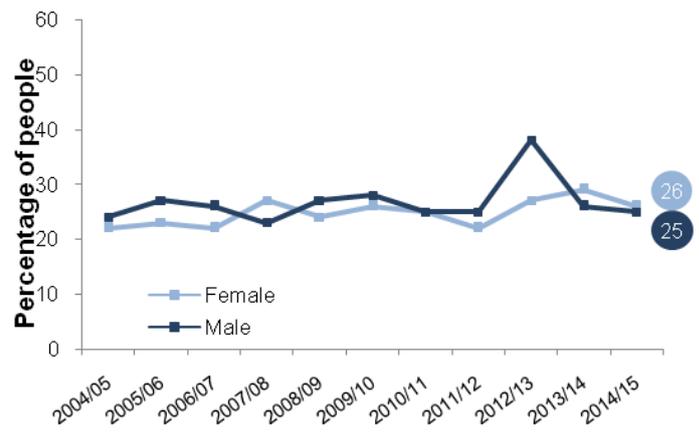
The rates of poverty before housing costs are higher for single working age adults than for the population as a whole.

Over the last 10 years there has generally been little difference between men and women on average although **in 2014/15 23% of single working age women were in poverty BHC compared to 19% of single working age men.**



After housing costs are taken into account, the rate of poverty in 2014/15 is similar for single working age men (25%) and women (26%).

The rate for women fell slightly in 2014/15 after 2 years of increases. Poverty AHC for single men without children increased in 2012/13 but decreased in 2013/14, and again very slightly in 2014/15, falling back to 2011/12 levels..

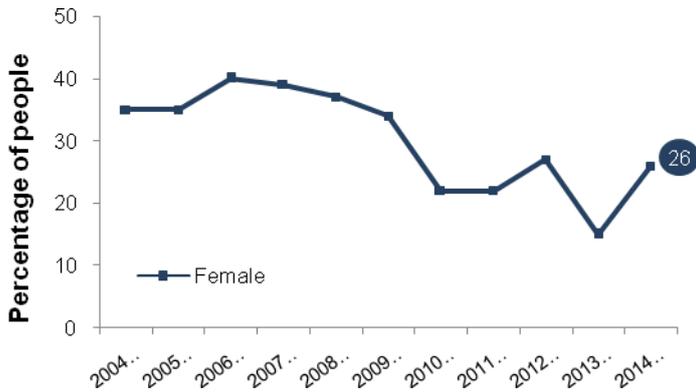


Poverty rates by gender

Lone parents

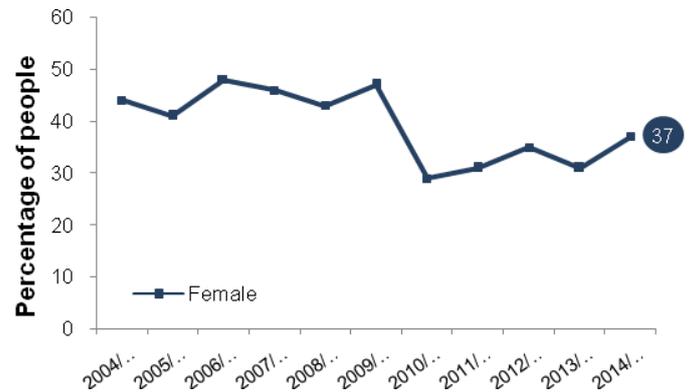
Poverty rates for lone parents are only presented for women as there are too few male lone parents in the survey used to produce these statistics. This is because over 90% of lone parents are women.

The poverty rate BHC for female lone parents has generally fallen over the last decade but rose sharply in 2014-15 to 26% following a similarly sharp fall in 2013/14.



The trend for poverty rates AHC for female lone parents is similar to the trend before housing costs.

Poverty rates fell sharply in 2010/11. They have been creeping back up since, reaching 37% in 2014/15, but remain well below the 2009/10 level of 47%.

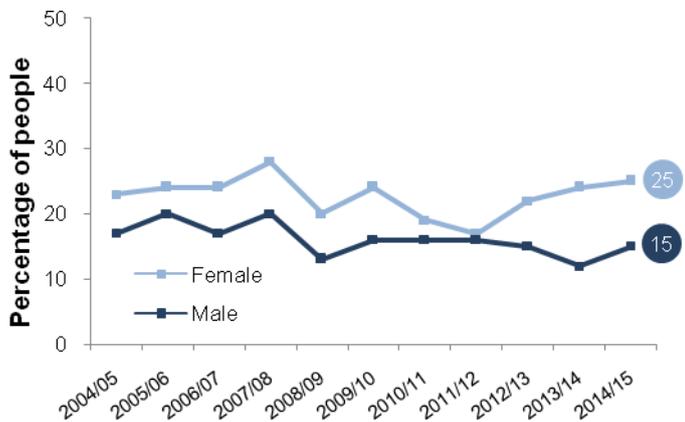


Single pensioners

In 2014/15, 25% of single female pensioners and 15% of single male pensioners were in relative poverty BHC.

The poverty rate before housing costs for single female pensioners has been higher than that for single male pensioners for each of the last ten years.

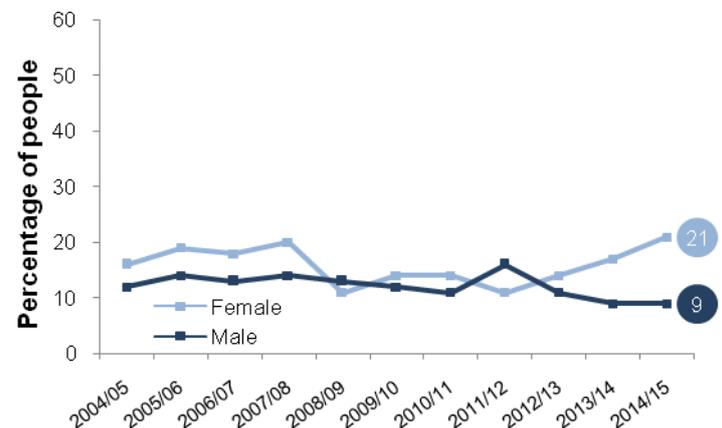
The gap has narrowed slightly in 2014/15 due to an increase in the male pensioner poverty rate.



The rate of poverty for single female pensioners AHC has been increasing for the past three years while the rate for men has been decreasing.

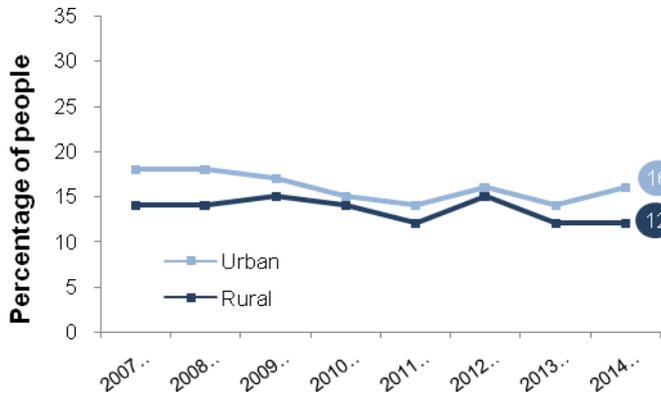
Single female pensioners are now more likely to be in poverty AHC than single male pensioners, having had a lower rate in 2011/12.

In 2014/15 21% of single female pensioners and 9% of single male pensioners were in poverty AHC.

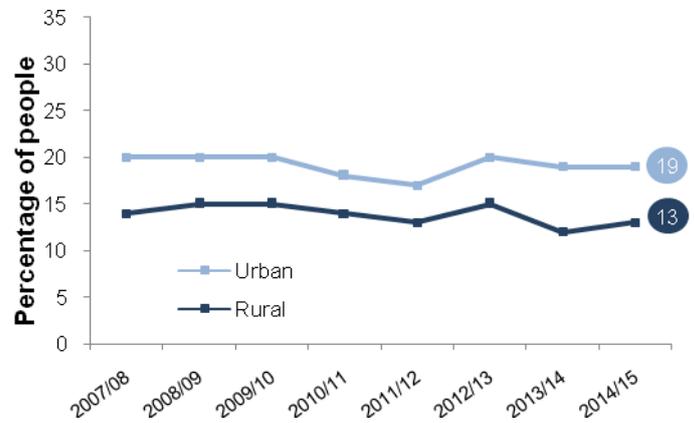


Poverty rates in urban and rural areas

Poverty rates have consistently been higher in urban areas than rural areas of Scotland. However, the gap has widened in 2014/15 with **16% of those in urban areas and 12% of those in rural areas in poverty BHC.**



The gap is wider after housing costs are taken into account, reflecting the higher cost of housing associated with living in larger towns and cities. **In 2014/15 19% of those in urban areas and 13% of those in rural areas were in poverty AHC.**



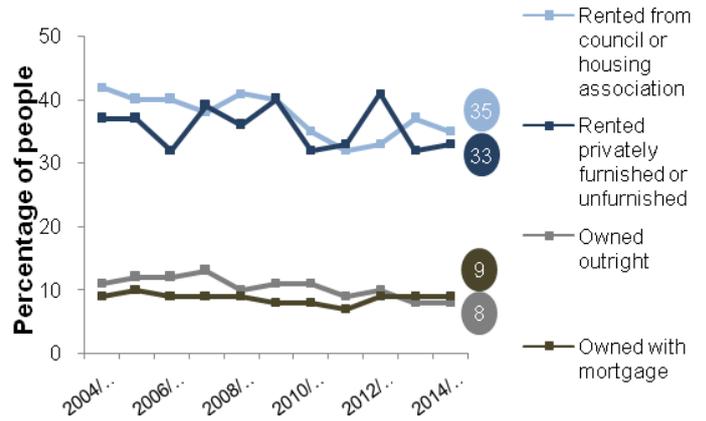
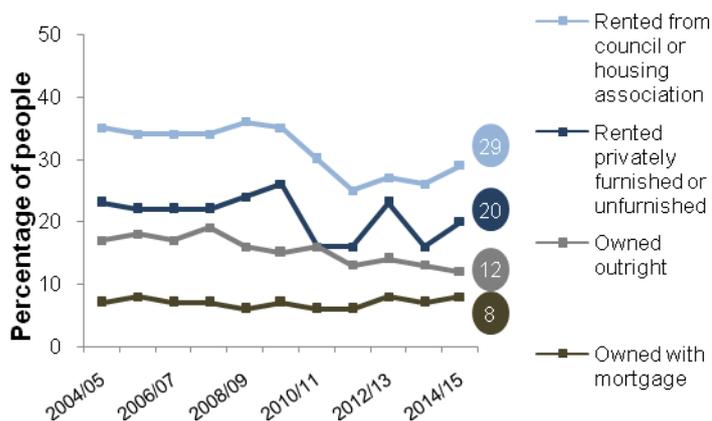
Household tenure type and poverty

Before housing costs, those living in the social rented sector have the highest rates of poverty (29 per cent), with those in the private rented sector (20 per cent) and owner occupiers having much lower levels of poverty. The high rates of poverty before housing costs in the social rented sector largely reflect the role of social housing.

However, after housing costs are taken into account, while poverty rates do increase for those in social rented accommodation, they increase more dramatically (to 33 per cent) for those in the private rented sector. This reflects, among other factors, the importance of lower rent levels in the social housing sector helping households to be better off than if they were in the private sector.

Those in the social rented sector are likely to have lower incomes BHC than those renting privately, particularly as (i) housing benefit is included as income and (ii) rents in this sector are much lower than in the private rental sector. Despite people in the private rented sector have higher incomes BHC, their housing costs are higher on average too and so rates of poverty AHC remain high.

The rate of poverty for those who own their home outright appears higher before housing costs but this is largely due to the fact that pensioners are more likely to own their own home. After housing costs, the rate of poverty is far lower, reflecting the fact that their income does not need to cover the costs of rent or a mortgage.

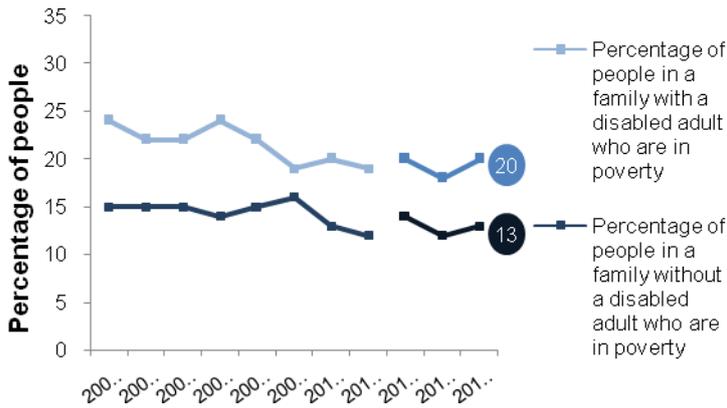


Disability and poverty

Due to a change in the way information on people with disabilities was collected, it is not possible to compare the most recent years with years before 2012/13 but before that, the trend had been decreasing poverty for both groups.

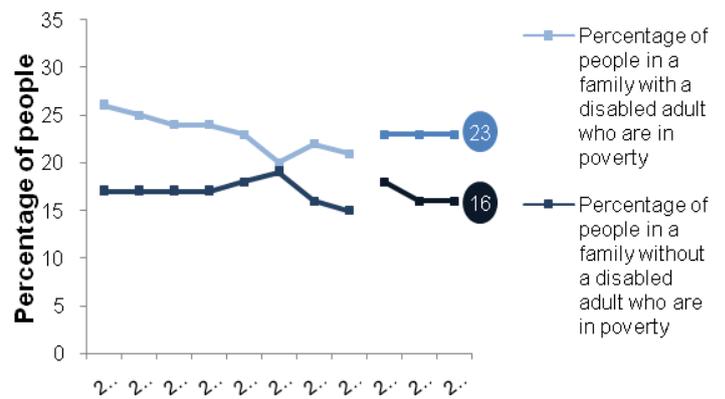
Poverty rates remain higher for households with a disabled adult. **In 2014/15 poverty rates BHC rose for both those with a disabled adult in the household (20%) and those without (13%).**

The gap between the 2 groups has remained fairly steady over the last few years.



Poverty rates AHC for both families with a disabled adult (23%) and those without (16%) remained steady in 2014/15.

As with poverty BHC, those with a disabled adult in the household are more likely to live in poverty AHC, and this gap remained steady in the most recent



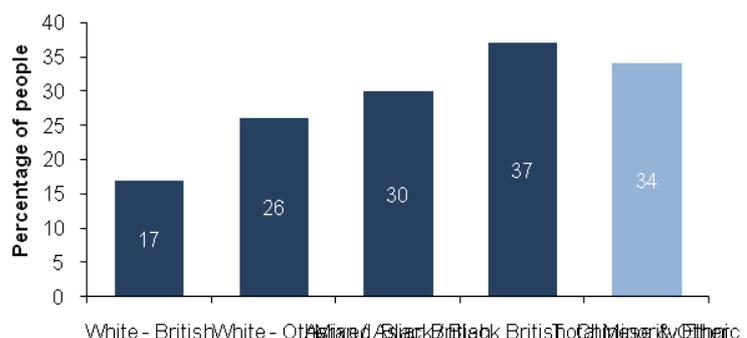
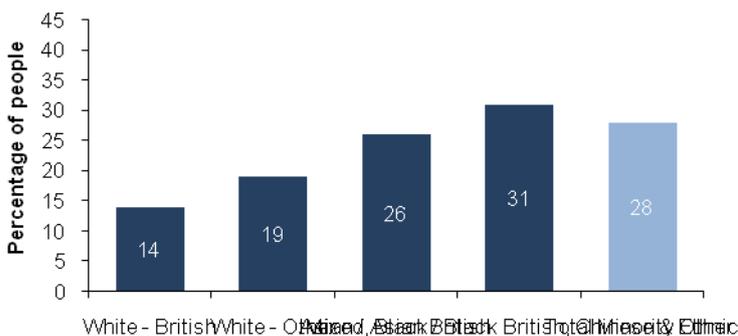
Ethnicity and poverty

These figures are based on aggregated data from 2012/13 to 2014/15 inclusive.

The 'Mixed', 'Black / Black British', 'Chinese' and 'Other' ethnic groups all have sample sizes that are too small to reliably report on their own. They have therefore been combined into a single category so that they can be reported.

People from minority ethnic (non-white) groups are more likely to be in poverty, both before and after housing costs, compared to those from the 'White - British' group.

This is particularly true after housing costs. **Over a third of people in minority ethnic groups were in poverty after housing costs were taken into account** compared with 17% of people from the 'White - British' group.

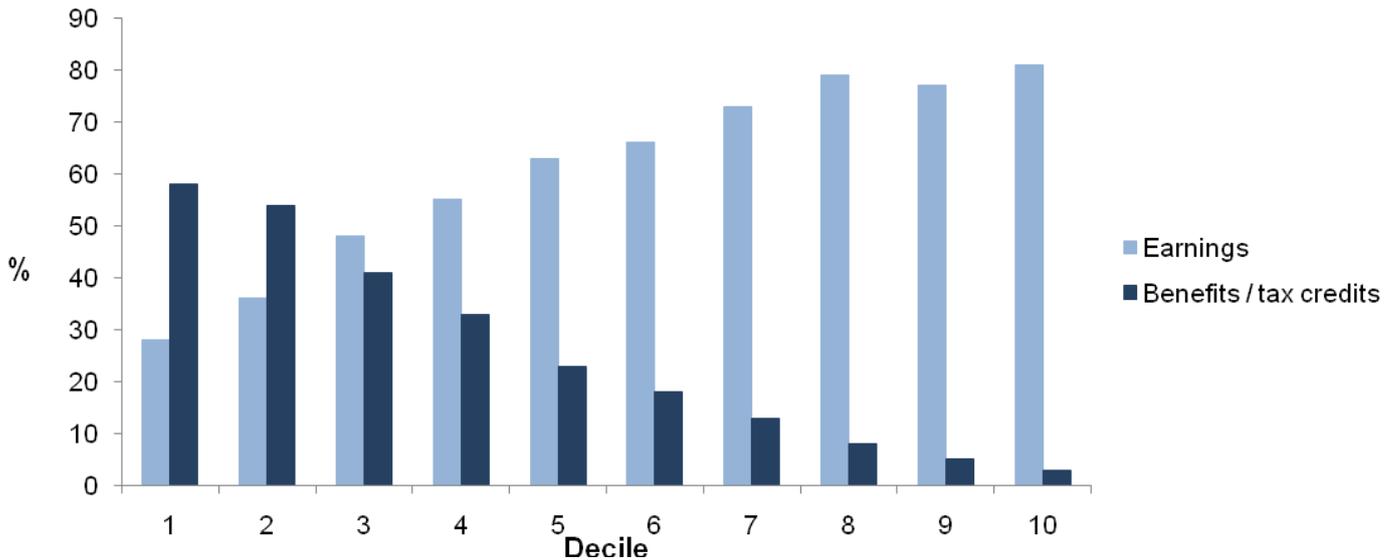


Sources of income

For those in the 30% of the population with the lowest income, just over half of household income, on average, comes from benefits and tax credits.

However, income from benefits and tax credits remains a significant part of the income of households across much of the income distribution. On average, more than 10% of household income comes from benefits and tax credits for all but the top 30% of households.

This includes all tax credits and benefits; including the state pension, benefits to support disabled people and their carers, housing benefit and unemployment related benefits.



Income decile	Earnings	Investments	Occupational pensions	Miscellaneous	Benefits / tax credits
1	28	5	5	4	58
2	36	2	6	3	54
3	48	2	6	2	41
4	55	1	8	3	33
5	63	2	9	4	23
6	66	2	12	3	18
7	73	2	9	3	13
8	79	2	10	1	8
9	77	4	11	2	5
10	81	8	7	1	3
All	69	4	9	2	16