

Official statistics in development

Poverty and Income Inequality in Scotland 2022-25

March 2026



Scottish Government
Riaghaltas na h-Alba

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This report presents three-year averaged estimates of the proportion of people, children, working-age adults and pensioners in Scotland living in poverty, and other statistics on household income and income inequality. Poverty impacts health, well-being and overall life chances of individuals and these estimates are used to monitor progress in reducing poverty, child poverty and income inequality.

1 Key points

The most recent results for 2022-25 show that:

- Around 17 per cent of Scotland's population (940,000 people) were living in relative poverty after housing costs. This was 15 per cent (840,000 people) before housing costs.
- Around 18 per cent of people (1 million) were living absolute poverty after housing costs. This was 17 per cent before housing costs (900,000 people).
- Working-age adults and pensioners are less likely to be in poverty compared to children: 13 per cent of pensioners and 18 per cent of working-age adults are in relative poverty after housing costs, compared to 21 per cent of children.
- While the risk of being in poverty is much lower for children where someone in the household is in paid work compared to those in workless households, not all work pays enough to ensure the household income is above the poverty line. Three quarters of children in relative poverty live in a household with someone in paid work.
- Eleven per cent of children were living in combined low income and material deprivation. This measure is additional way of measuring living standards and identifies households who cannot afford basic goods and activities that are seen as necessities in society.
- Nine per cent of pensioners in Scotland were living in material deprivation.
- Median household income before housing costs was £707 per week. Median income has increased slowly but steadily since the recession in 2008/09. Following the same trend, median income after housing costs was £636 per week in 2022-25.

2 What you need to know

Statistics in this report are based on data from the Family Resources Survey (FRS). This survey has been the main source of information on household income and poverty in Scotland since 1994/95. Poverty and income inequality trends in the UK are available from the Department for Work and Pensions' [Households Below Average Income publication](#). This publication is accompanied by separate publications on persistent poverty and a summary of these data with respect to the four child poverty targets measured on a single-year basis up to 2024/25.

2.1 Poverty measures

The Scottish Government measures different aspects of poverty with different indicators. The most commonly used poverty indicator in Scotland for showing trends is [relative poverty](#) after housing costs. Other poverty measures in this report are [absolute poverty](#), [child low income and material deprivation](#) and [pensioner material deprivation](#). These are included in additional charts throughout the report.

Unless otherwise stated, statistics are based on net income adjusted for household size. Net income is income from earnings, social security payments and other sources minus taxes. All incomes are in 2024/25 prices, so the purchasing power is comparable over time. Estimates are rounded to the nearest £1 for weekly incomes, £100 for annual incomes, 1% for proportions and ratios, and 10,000 for populations. Poverty is defined at the household level. If the household income is below the poverty threshold, all people within the household are assumed to be in poverty.

2.2 Hosting of the poverty publication

This year this publication and the accompanying "Persistent Poverty in Scotland" statistical release have been moved from data.gov.scot to the Scottish Government website. Users might notice some changes to how the publication looks, but the main trends are still included, and the full range of detailed information is still available to download in spreadsheets (see under "Supporting documents" for download).

We welcome feedback from our users to inform content of the next publication.

2.3 Development of Family Resources Survey data

As previously announced in the [HBAI release strategy](#), these statistics have been revised from 2021/22 following a methodological change which links FRS data with administrative records on social security benefits provided by DWP and tax credits. In summer 2026, a follow up publication will include revisions for further years back to 2018/19.

The new method aims to correct for the known undercount of benefit receipt reported through the survey. The method replaces most survey-reported benefit income and tax credits with data derived from administrative records. It also adds benefit income for households who did not report benefits in the survey, but appear

in the administrative records, and removes them if they are not in the administrative data but were originally reported through the FRS.

Devolved Scottish disability benefits were not included in the linkage this year. However, DWP have taken steps to make sure Scotland-specific disability benefits, Adult Disability Payment and Child Disability Payment, marry up more closely to known caseloads. The methodology that was developed last year for imputing Scottish Child Payment remains in place.

Further information on the new methods can be found in the [background notes](#) and in [DWP's publication](#).

2.4 Official statistics in development and future plans

This publication has been badged as official statistics in development to highlight to users both the methodological changes outlined above and planned changes to the statistics next year. The devolved administrations (including the Northern Ireland Department for Communities and the Welsh Government) have adopted the same approach. DWP's UK outputs remain accredited official statistics due to having a larger sample and therefore higher levels of confidence in the estimates.

The official statistics in development status recognises the revisions scheduled for summer 2026 when further data, linked back to 2018/19, is published. In addition, there will be other changes in 2027, when the way the statistics are scaled to population totals (known as grossing) is updated. This update will incorporate the latest census population data and may result in further revisions to the poverty rates. Future changes are announced in the [FRS release strategy](#), which is updated periodically as plans develop.

The development of data linkage to benefits will improve the quality of data in the longer term although there will be a period of flux. It is our intention that the official statistics in development badge is temporary pending the development phase. This acknowledges that methods are in transition, enables clearer guidance to users on what is changing and why, and transparently signals uncertainty in the estimates and any trend comparisons, with figures subject to revision as development continues. A letter confirming the change in designation has been published on the [Office for Statistics Regulation](#) website.

Users should be aware that because the FRS data developments have disrupted trends, we are publishing a shorter report this year. We have therefore not included charts showing poverty rates by child poverty priority groups or equality groups, though all statistics remain available in the accompanying spreadsheets. We will review publication content once a longer data series is available in March 2027 and we are better able to consider trends for population subgroups. Similarly, we have not presented charts on food security, but these results are still contained in the spreadsheets.

2.5 Change to absolute poverty reference year

Up until the March 2025 publication, the reference year for absolute poverty was 2010/11. However, due to the structural break introduced by the data linkage the reference year has been moved to 2024/25 and provides a more up to date position.

Absolute poverty statistics have been revised back to 2021/22 using the new 2024/25 base. Earlier data (before 2021/22) continues to use the 2010/11 series. Without changing the base year, recent estimates would be inconsistent, as they would compare linked-data years with a non-linked reference year. When additional years of linked data are released in summer 2026, the 2024/25 based series will be revised back to 2018/19.

2.6 Presentation of three-year averages and single year estimates

Estimates are shown as three-year rolling (overlapping) averages, unless stated otherwise. Taking the average over three years reduces fluctuation due to sampling variation and shows trends and differences between groups more clearly. Care should be taken to interpret trends since the introduction of linked data.

The linkage discontinuity is clearly presented in the three-year averaged charts to include:

- The unaffected 3-year average back series from 1994-97 to 2018-21.
- A vertical dotted line to denote that from 2021/22 the linkage is introduced.
- The new series from 2020-23 to 2022-25 based on the linked data.
- Estimates for 2019-22 have not been presented as they include one year of linked data (2021/22) and one year of unlinked data (2019/20). Data from the pandemic year (2020/21) is excluded from Scotland level statistics due to issues with obtaining a robust sample.

Accompanying documents also clearly present the change. These are available to download from the “Supporting documents” section and include:

- One- and three-year estimates in excel tables. Lines have been added to clearly identify where the integration of administrative data starts. Similar to the chart presentation, estimates for the three-year period 2019-22 have been removed.
- The “Child Poverty Summary” shows progress against the Child Poverty Act 2017 statutory targets. For the purposes of monitoring the absolute poverty target, 2010/11 remains the reference year as stated in the Child Poverty (Scotland) Act 2017 and a separate data series has been produced to support this.

- Additional spreadsheets show the impact on poverty rates comparing the estimates before and after data linkage. They also show the impact of changing the absolute poverty reference year and are available for the one- and three-year estimates.

2.7 Deep material poverty

This report includes the new “deep material poverty” measure for children. This measure was developed by DWP to capture children experiencing a deeper level of poverty. It is one of the headline metrics for the UK Child Poverty Strategy but is not a statutory target measure for the Scottish Government. The initial estimate for Scotland is a two-year average, the period for which comparable questions are available.

More information on this measure can be found in the [background notes](#) or DWP’s [first release](#) of these statistics.

2.8 Survey data and measuring uncertainty

The estimates in this publication are based on a sample survey and are therefore subject to sampling variation. We have published confidence intervals in accompanying spreadsheets to help users assess the uncertainty in the estimates.

For example, the child poverty rates for Scotland in the latest period can vary within a typical uncertainty range of plus or minus five percentage points, or plus or minus 50,000 children. This means for example, that the proportion of children in relative poverty is likely to be somewhere between 16% and 27%. And the number of children in relative poverty after housing costs is likely to be somewhere between 160,000 and 260,000 children. Poverty rates and numbers shown in this report give the central estimates only.

See the [reliability](#) section for more information on our confidence intervals.

3 All people

The most commonly used poverty indicator in Scotland is relative poverty after housing costs. Alongside this key indicator, we also report on other poverty measures, focusing on different aspects of poverty.

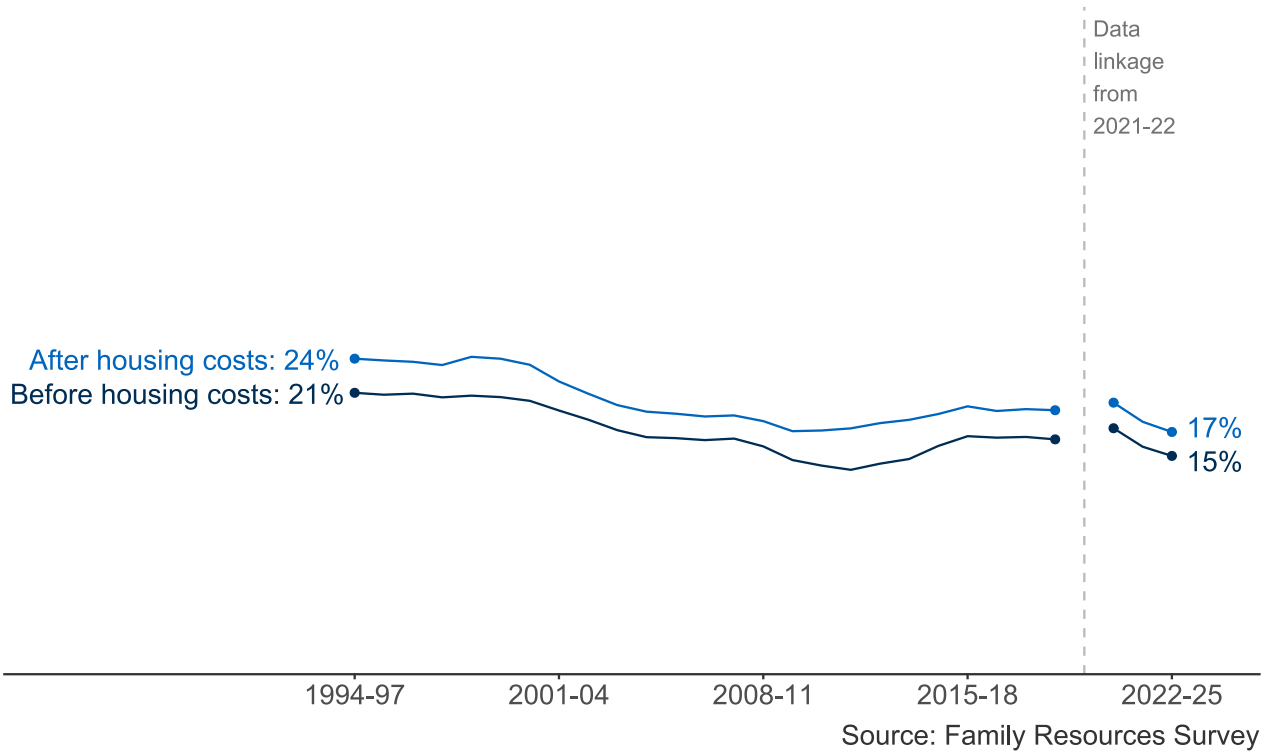
3.1 Relative poverty

A person is in relative poverty if their current household income is less than 60% of the current UK median. Relative poverty statistics fall if income growth at the lower end of the income distribution is greater than overall income growth.

Charts have been adapted this year to present the step change introduced by the move to integrated survey and administrative data (data linkage). Figure 1 shows that over the longer term the proportion of people in relative poverty after housing costs fell between the late nineties (24%) and the lowest point in this time series in 2009-12 (18%). Thereafter the poverty rate remained broadly stable up to 2017-20.

Further years of linked data are required to confirm the recent trend and care should be taken in making direct comparisons before and after the linkage break. The most recent estimate for 2022-25, based on linked data, shows that 17% of Scotland's population (940,000 people) were living in relative poverty after housing costs and 15% (840,000 people) before housing costs.

Figure 1: Proportion of people in relative poverty, Scotland



3.2 Absolute poverty

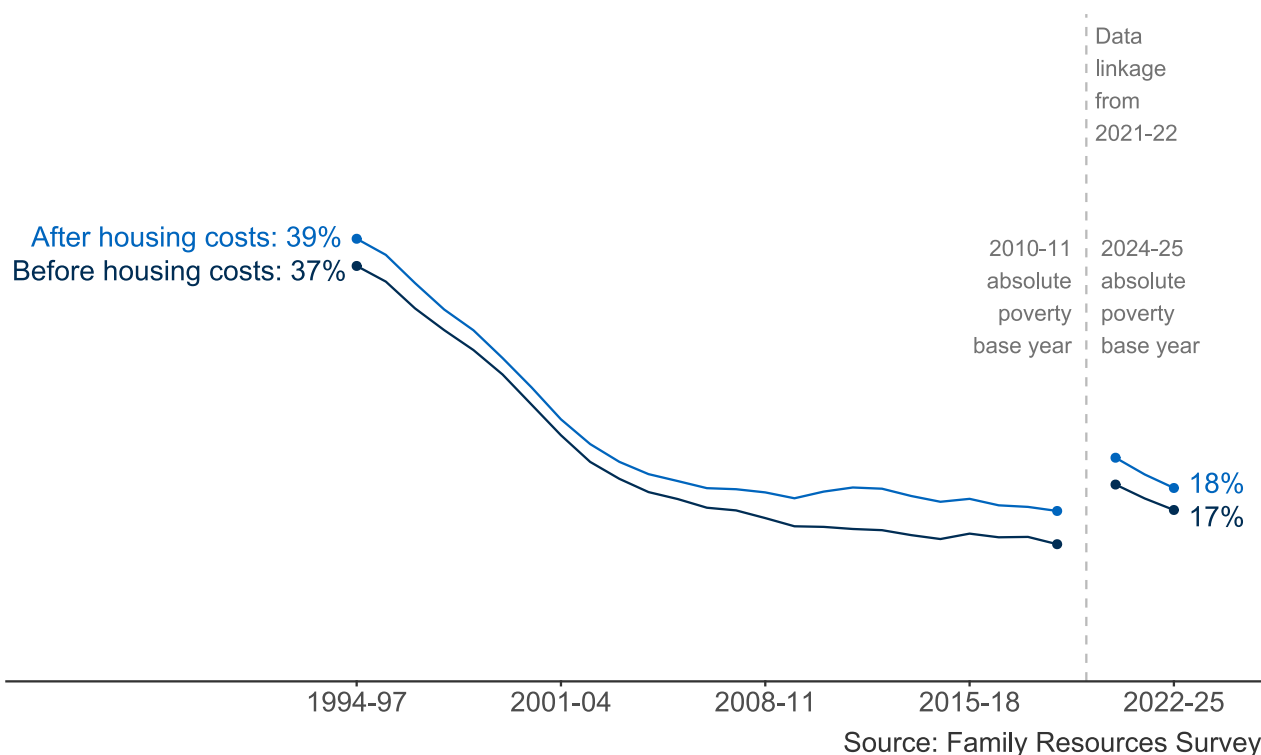
A person is in absolute poverty if their current household income is less than 60% of the UK median in a given reference year, adjusted for inflation. Absolute poverty statistics fall if low-income households see their income rise faster than inflation.

Up until the March 2025 publication, the reference year for absolute poverty was 2010/11. However, due to the structural break introduced by the data linkage the reference year has been moved to 2024/25 and provides a more up to date position. As shown in figure 2, absolute poverty statistics have been revised back to 2021/22 using the 2024/25 base, and prior to 2021/22, the 2010/11 reference year series is maintained.

Figure 2 shows that 2010/11-based absolute poverty steadily declined from the mid-nineties up to around 2008-11, after which rates remained at similar levels for a decade. This pattern was seen for both the before and after housing costs series.

For the 2024/25 based series, in 2022-25 it is estimated that 18% of the population (1,000,000 people each year) were living in absolute poverty after housing costs in 2022-25. Before housing costs it was 17% of the population (900,000 people each year). The increase in absolute poverty rates, following the break, is expected because real incomes in the 2024/25 reference year are higher than in 2010/11. Thus the median income used to set the poverty threshold is higher. Further years of the 2024/25 based series are required to confirm a recent trend and care should be taken making direct comparisons before and after the discontinuity.

Figure 2: Proportion of people in absolute poverty, Scotland



4 Children

Children are more likely to be in poverty across all measures compared to the overall population. This is partly because parents/guardians, in general, tend to earn less when their children are young compared with adults in households without children. Secondly, larger households have their incomes reduced to a greater degree during the income equivalisation process to take account of the fact that the household income must go further than for a smaller household.

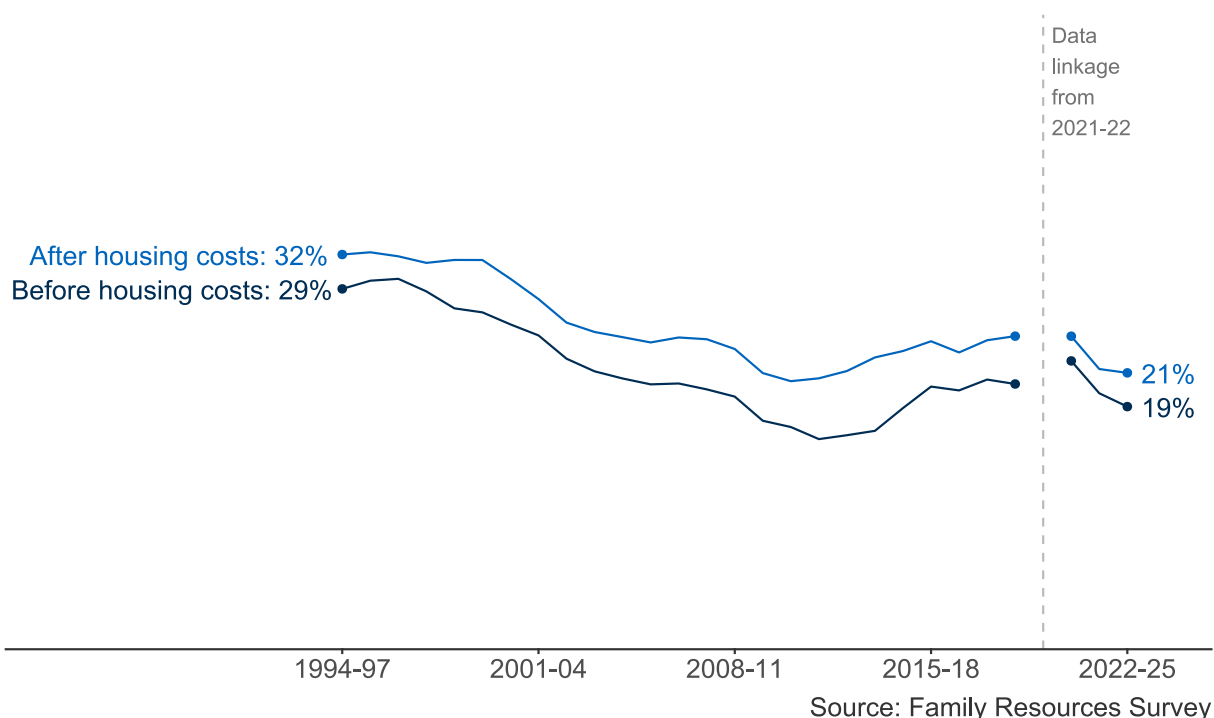
The Child Poverty (Scotland) Act 2017 requires us to report every year on four different child poverty measures. The latest single-year estimates can be found in the Child poverty summary (available for download under the “Supporting documents” section). In this report, however, we show three-year averaged estimates only, which are better for seeing long term trends. In this publication, a ‘child’ refers to a dependent child. This is explained in the [Definitions section](#).

4.1 Relative poverty

Relative child poverty rates, after housing costs, fell between the mid-nineties (32%) and 2010-13 (21%), with a pause in the decline around the 2008/09 recession. The poverty rate subsequently rose slightly to 25% by 2018-21. The before housing cost trend is similar.

The most recent linked data estimates that 21% of children (210,000 children each year) were living in relative poverty after housing costs (2022-25). Before housing costs, the rate was 19% of children (180,000 children each year). Further years of linked data are required to confirm a more recent trend and care should be taken in making direct comparisons before and after the linkage break.

Figure 3: Proportion of children in relative poverty, Scotland



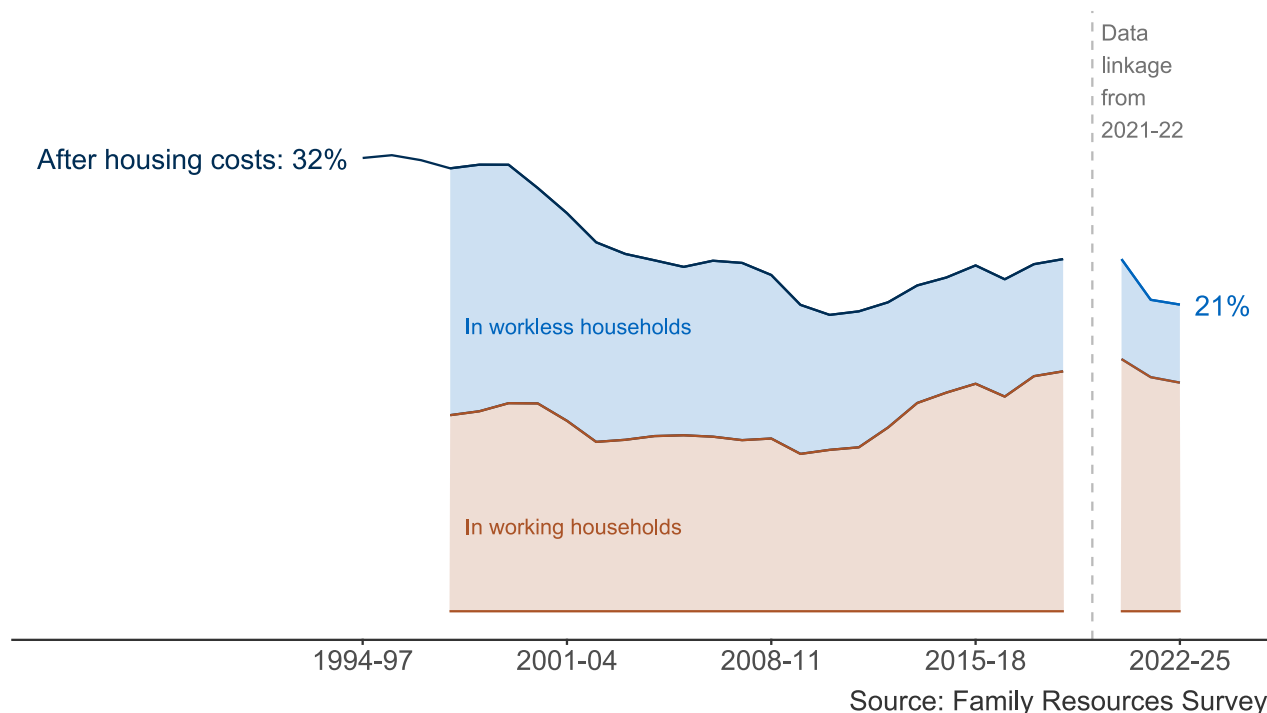
4.1.1 Working poverty

Having paid work is an effective way out of poverty, and those families where all adults are in full-time work have a low poverty risk. But having a job is not always enough, for example when it does not pay well, or when someone is unable to work enough hours.

Figure 4 shows the make-up of children in poverty. It is estimated that in 2022-25, 75% of children in relative poverty after housing costs were living in working households.

The terms ‘working’ and ‘in-work poverty’ here refer to paid employment. They do not include unpaid work such as caring for your children or other family members. In-work poverty refers to the share of children in poverty who live in households where at least one member of the household is in either full- or part-time paid work.

Figure 4: Share of children in relative poverty after housing costs who live in working households, Scotland

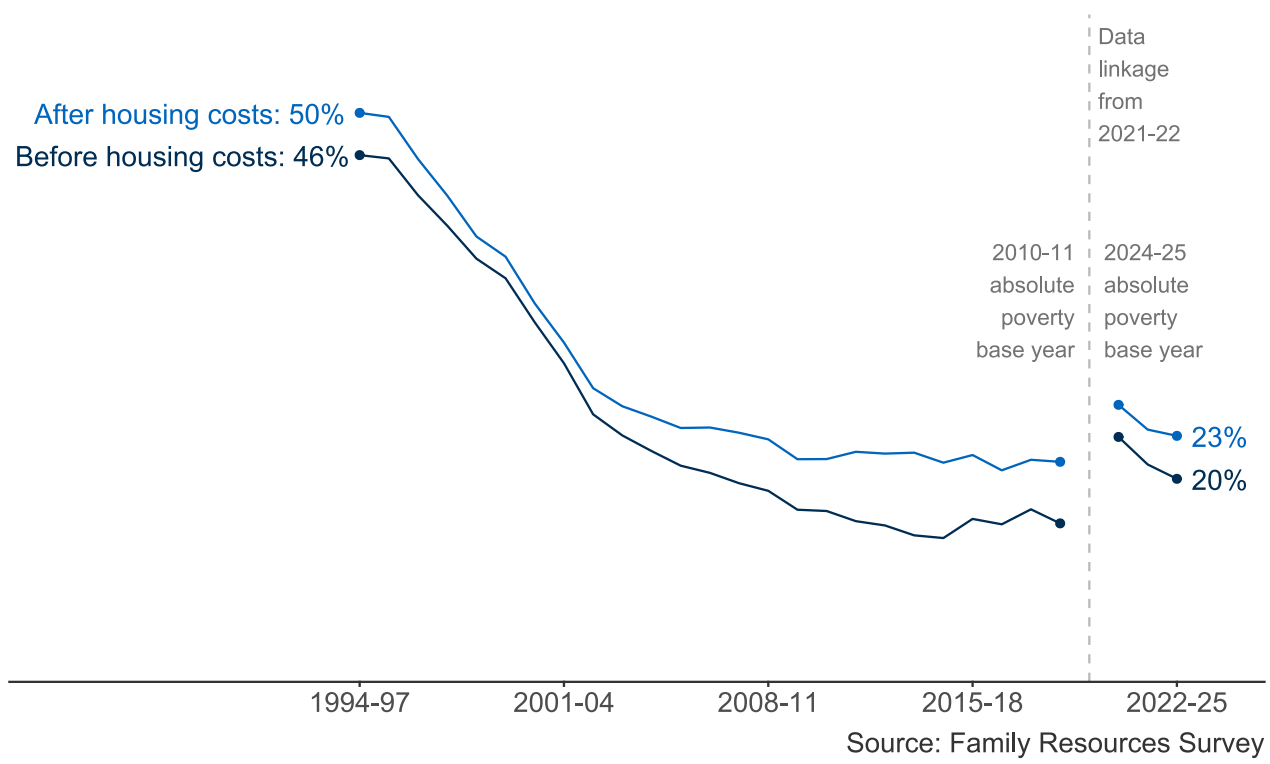


4.2 Absolute poverty

The long-term pattern for absolute child poverty is similar to relative child poverty although absolute child poverty, set to a 2010/11 reference year, fell from higher levels in the mid 1990s. Since around 2013-16 the after housing costs rate has remained largely flat while the before housing costs rate has risen slowly since the mid-2010s.

The most recent linked data, set to a 2024/25 reference year, shows that absolute child poverty after housing costs affected 23% (230,000 children each year). Before housing costs, absolute child poverty was at 20% (200,000 children each year). The increase in absolute poverty rates, following the break, is expected because real incomes in the 2024/25 reference year are higher than in 2010/11. Thus the median income used to set the poverty threshold is higher. Further years of linked data are required to confirm the most recent trend and care should be taken in making direct comparisons before and after the linkage break.

Figure 5: Proportion of children in absolute poverty, Scotland



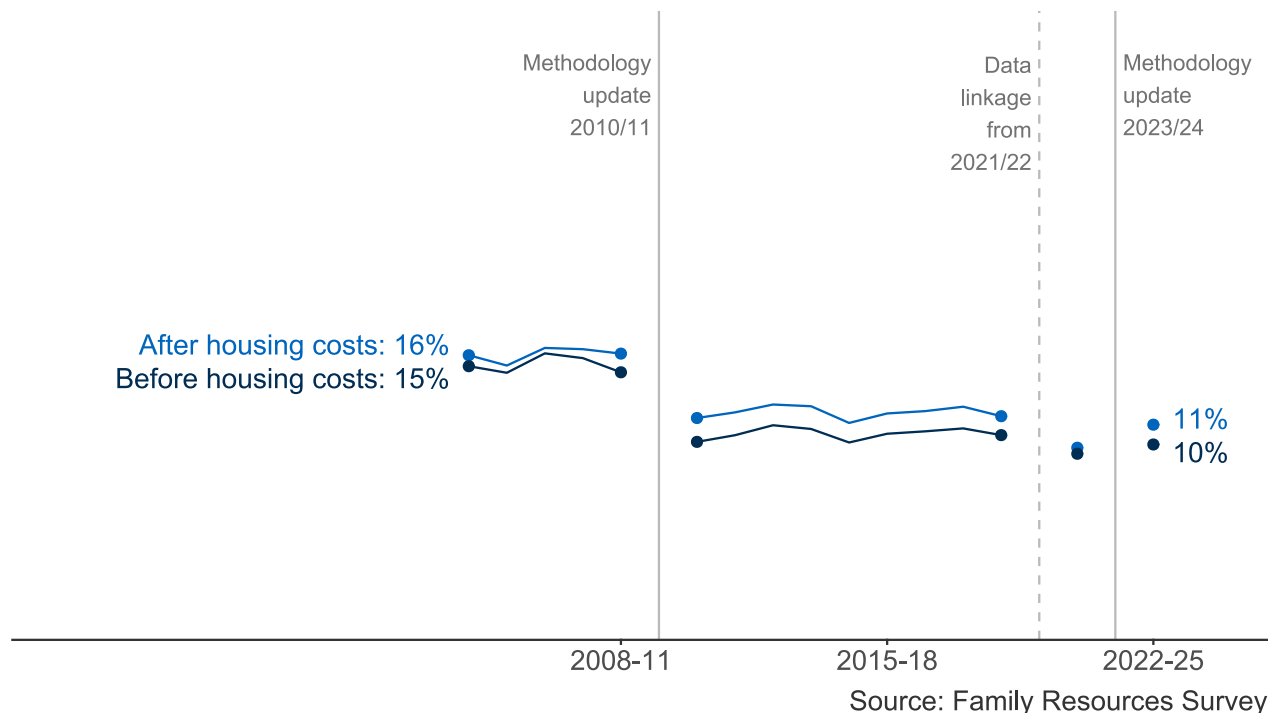
4.3 Material deprivation

Combined low income and child material deprivation is an additional way of measuring living standards. It is about households who cannot afford basic goods and activities that are seen as necessities in society.

Child material deprivation estimates from 2023/24 are based on an updated suite of questions on the FRS. For the updated measure, respondents are asked whether they have access to a list of 22 goods and services. A child is classified as being in combined low income and child material deprivation if they live in a family that is lacking 4 or more items and has a household income below 70% of the median.

Users should refer to the [background notes](#) or DWP's [Material Deprivation Technical Report](#) for more information on the methodological update.

Figure 6: Proportion of children in combined low income and material deprivation, Scotland



An estimated 11% of children were living in combined low income and material deprivation after housing costs in the most recent period. Before housing costs, this was 10% of children. Please note these estimates are for a two-year average (covering the 2023/24 and 2024/25 survey years). Figure 6 presents these figures as dots to denote the discontinuity in the series and they should not be compared with the three-year averages from previous years.

This measure is also influenced by the data linkage change shown by the dotted line in Figure 6. At present, only one linked data point exists, based on the older material deprivation questions. More comparable estimates will be available when the 2018/19 and 2019/20 linked data is released in summer 2026. This period is notable because COVID-19 restrictions limited families’ ability to take part in certain activities for reasons other than affordability, which affected how people answered the material deprivation questions.

4.4 Deep material poverty

This report includes the new deep material poverty measure for children. This measure was developed by DWP to capture children experiencing a deeper level of poverty with [first results](#) published in December 2025. It is one of the headline metrics for the UK Child Poverty Strategy but is not a statutory target measure for the Scottish Government.

This measure is drawn from a subset of the 22 child material deprivation questions; of these 13 are seen as “essential items”. A child is classified as being in deep

material poverty if they lack at least 4 out of 13 essential items. A lack is defined as being due to financial constraints rather than personal choice.

It is estimated that 11% of children were in deep material poverty. This initial estimate for Scotland is a two-year average over 2023/24 and 2024/25, the period for which the updated material deprivation questions are available.

5 Working-age adults

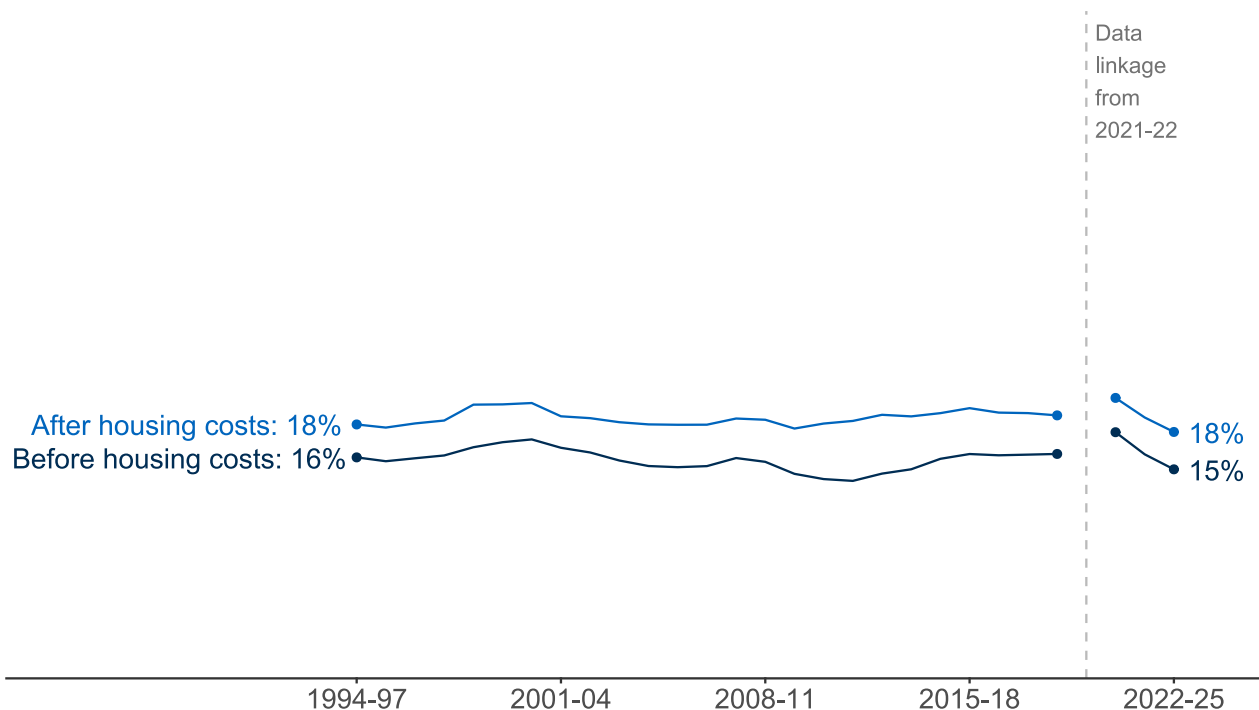
Working-age adults tend to be less likely to be in poverty compared to children. They comprise all adults up to the state pension age.

5.1 Relative poverty

Relative poverty for working-age adults has been broadly stable since the nineties, when reporting began, at around 18% to 20% after housing costs.

The relative poverty rate in 2022-25 was estimated to be 18% after housing costs, and 15% before housing costs. This equates to 600,000 and 500,000 working age adults in poverty respectively. Further years of linked data are required to confirm the most recent trend and care should be taken in making direct comparisons before and after the linkage break.

Figure 7: Proportion of working-age adults in relative poverty, Scotland



Source: Family Resources Survey

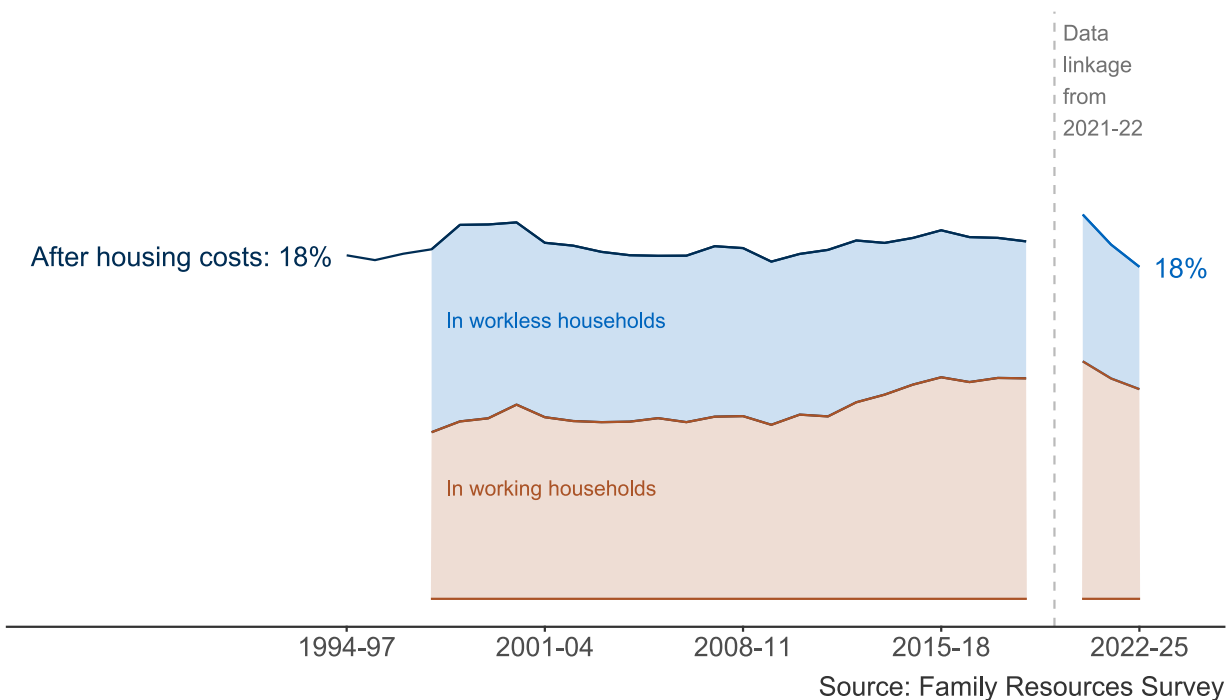
5.2 Working poverty

Having paid work is an effective way out of poverty, and those families where all adults are in full-time work have a low poverty risk. In-work poverty can occur when it does not pay well, or when someone is unable to work enough hours.

Figure 8 shows the make-up of working-age adults in poverty. The share of working-age adults in poverty who lived in working households steadily increased between 2011-14 (52%) and 2018-21 (62%).

Recent linked data shows that in 2022-25, 63% of working-age adults in relative poverty after housing costs were living in a household where someone was in paid work (380,000 working-age adults each year). Further years of linked data are required to confirm the most recent trend and care should be taken in making direct comparisons before and after the linkage break.

Figure 8: Share of working-age adults in relative poverty after housing costs who live in working households



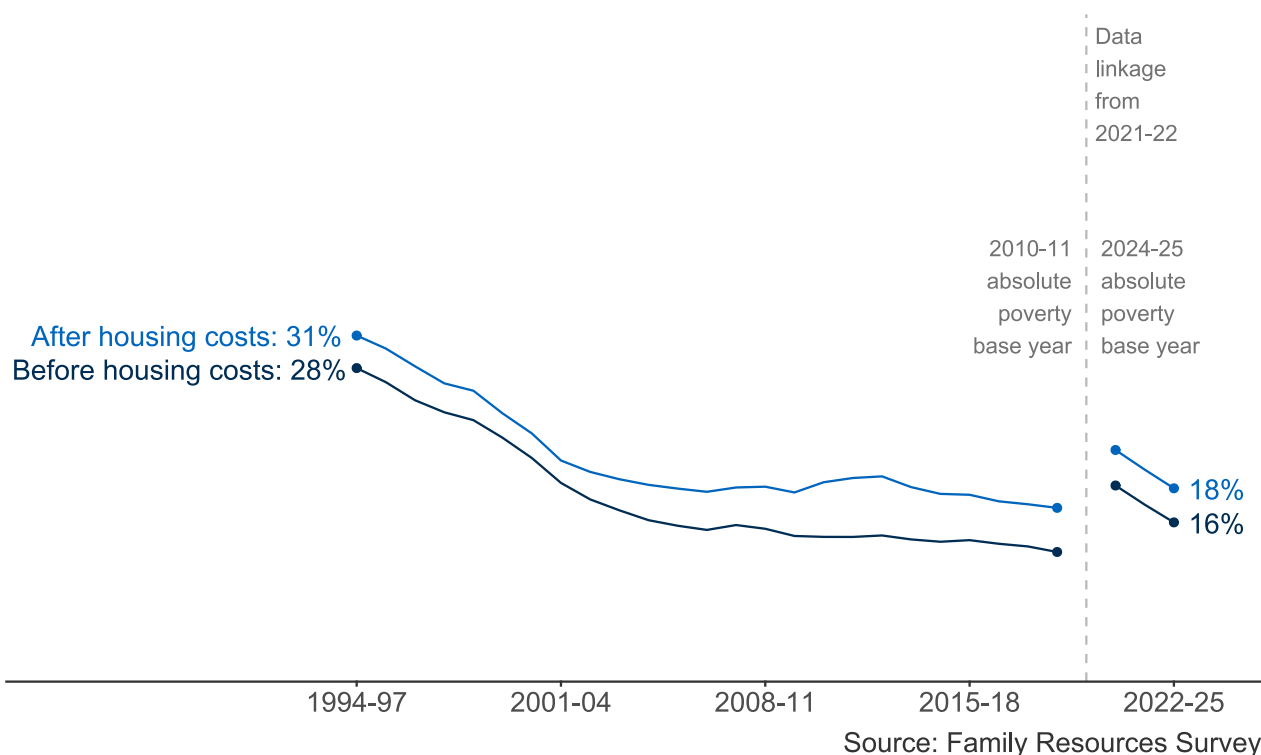
5.3 Absolute poverty

After a decline from the mid-nineties to 2006-09, absolute poverty amongst working-age adults remained broadly stable.

The most recent linked data, using a 2024/25 base year, shows that in 2022-25, 18% of working-age adults were in absolute poverty after housing costs, and 16% before housing costs. This means that in 2022-25, there were 620,000 working-age adults each year in absolute poverty after housing costs, compared to 530,000 before housing costs. The increase in absolute poverty rates, following the break, is

expected because real incomes in the 2024/25 reference year are higher than in 2010/11.

Figure 9: Proportion of working-age adults in absolute poverty, Scotland



6 Pensioners

Pensioners are adults who have reached their state pension age. Women’s state pension age reached 65 in November 2018, aligning it with men’s state pension age. Since December 2018, the state pension age for both men and women has been increasing. In the latest data period included in this report, the state pension age for both men and women increased to 66 years.

6.1 Relative poverty

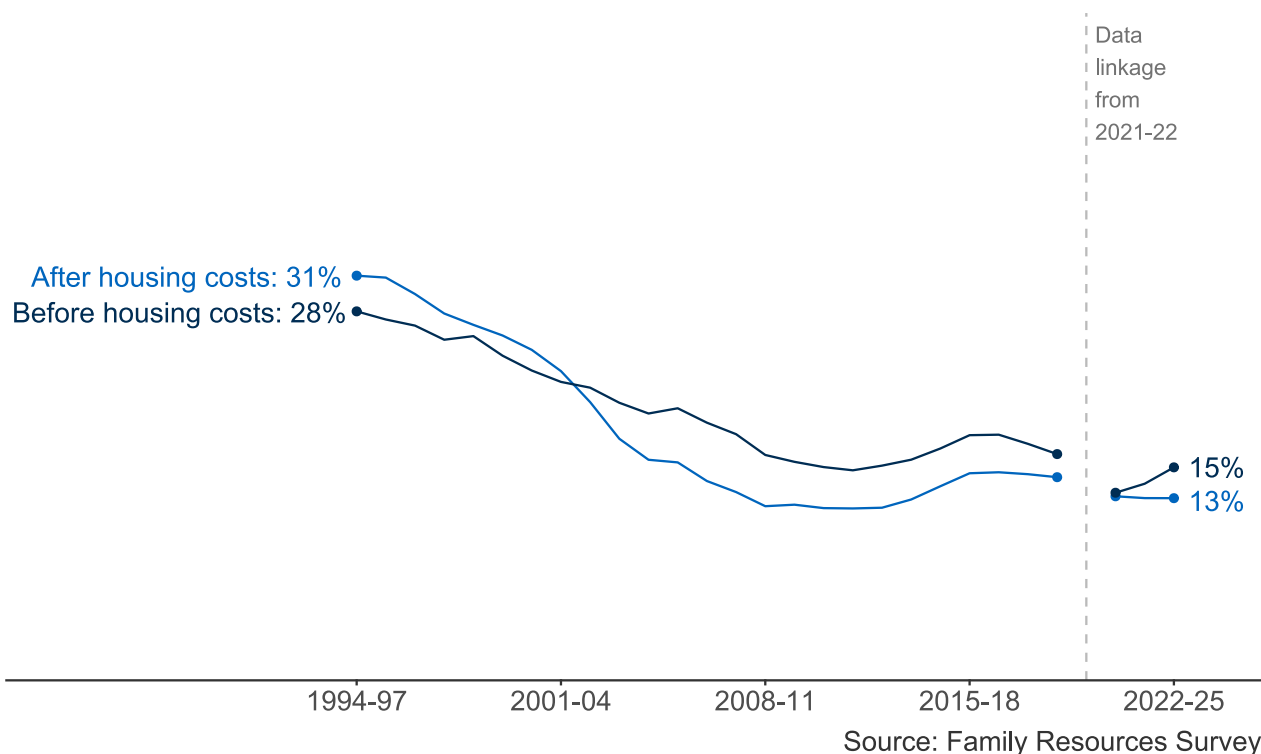
The relative poverty rate after housing costs for pensioners was 13% in 2022-25, or 130,000 pensioners each year. The poverty rate has been consistently below that for working-age adults (18%) and children (21%).

Before housing costs, 15% of pensioners (160,000 pensioners) were in relative poverty. The measure showed a long decline until 2008-11, was then largely stable for a few years before it started to rise again. In recent years, since 2015-18, relative pensioner poverty has been largely stable.

Note that for pensioners, the before housing costs poverty rates are higher than the after housing costs poverty rates. This is because the majority of pensioners tend to

have a relatively low income but also low housing costs as a large proportion own their home. It is therefore more meaningful to use the after housing costs poverty measure for comparing the standard of living between pensioners and other age groups.

Figure 10: Proportion of pensioners in relative poverty, Scotland

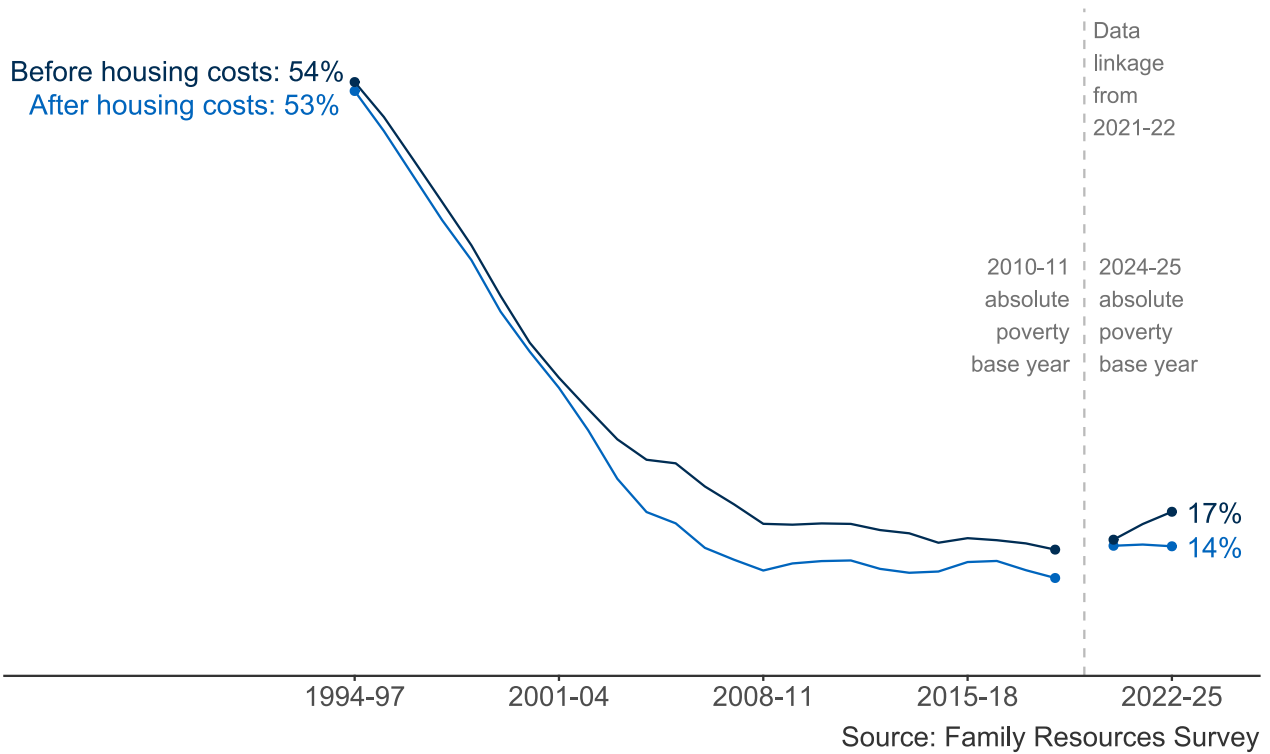


6.2 Absolute poverty

Absolute poverty after housing costs for pensioners was 14% (140,000 pensioners each year) in 2022-25. Before housing costs, it was 17% (170,000 pensioners). Absolute poverty has remained broadly stable since 2008-11.

Similar to the other absolute poverty charts, the increase in absolute poverty rates, following the break, is expected because the real incomes in the 2024/25 reference year are higher than in 2010/11.

Figure 11: Proportion of pensioners in absolute poverty, Scotland



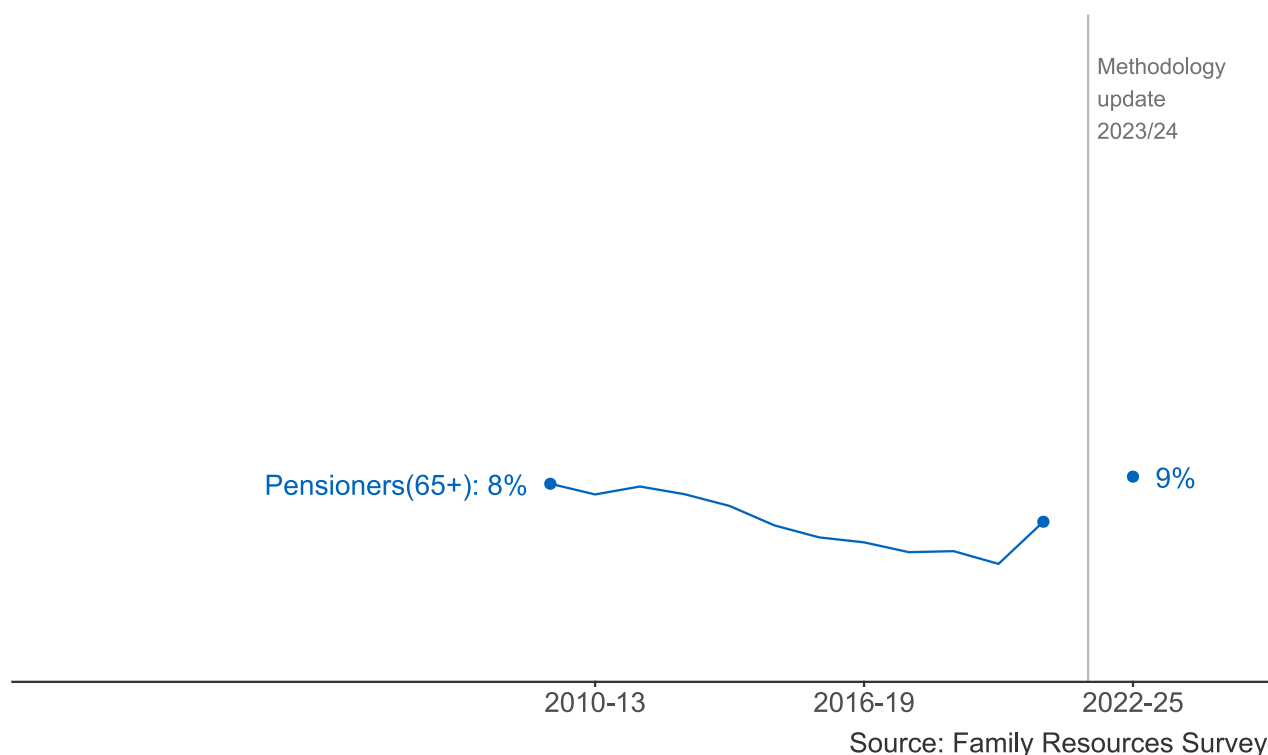
6.3 Material deprivation

In 2023/24 an updated suite of questions for pensioner material deprivation was included in the FRS survey. For the updated measure, pension-aged respondents are asked whether they have access to a list of 19 goods and services with those lacking 4 or more of these items being defined as being in material deprivation.

In 2022-25, according to the updated questions, 9% of pensioners were in material deprivation. This figure is presented as a single dot in figure 11 and covers two years of survey data. This estimate should not be compared with the three-year averages from the previous series.

Users should refer to the [background notes](#) or DWP's [Material Deprivation Technical Report](#) for more information.

Figure 12: Proportion of pensioners in material deprivation, Scotland



Historically, there had been a long term decline in pensioner material deprivation since 2009-12. The 4% estimate reported for 2019-22 should be treated with caution due to the impact of the COVID-19 pandemic, the sorts of activities people could do and how respondents answered the material deprivation questions.

Pensioner material deprivation is not affected by the recent data linkage change as it does not incorporate reported income like the combined child low income and material deprivation measure does.

7 Income

7.1 Income inequality

Summary measures of income inequality are useful for tracking change over time. In this section, we use a range of summary measures to describe different features of the income distribution.

There are two types of summary measures that we describe here. The Gini coefficient of inequality is widely used, and is based on the whole distribution. But it is sometimes considered overly sensitive to changes in the middle, and not sensitive enough to changes at the top and the bottom. The Palma ratio focuses on the top and the bottom of the distribution only. In practice, both Gini and Palma measures show very similar trends. Decile shares give a more nuanced picture of the different parts of the distribution, but they cannot be summarised with a single estimate.

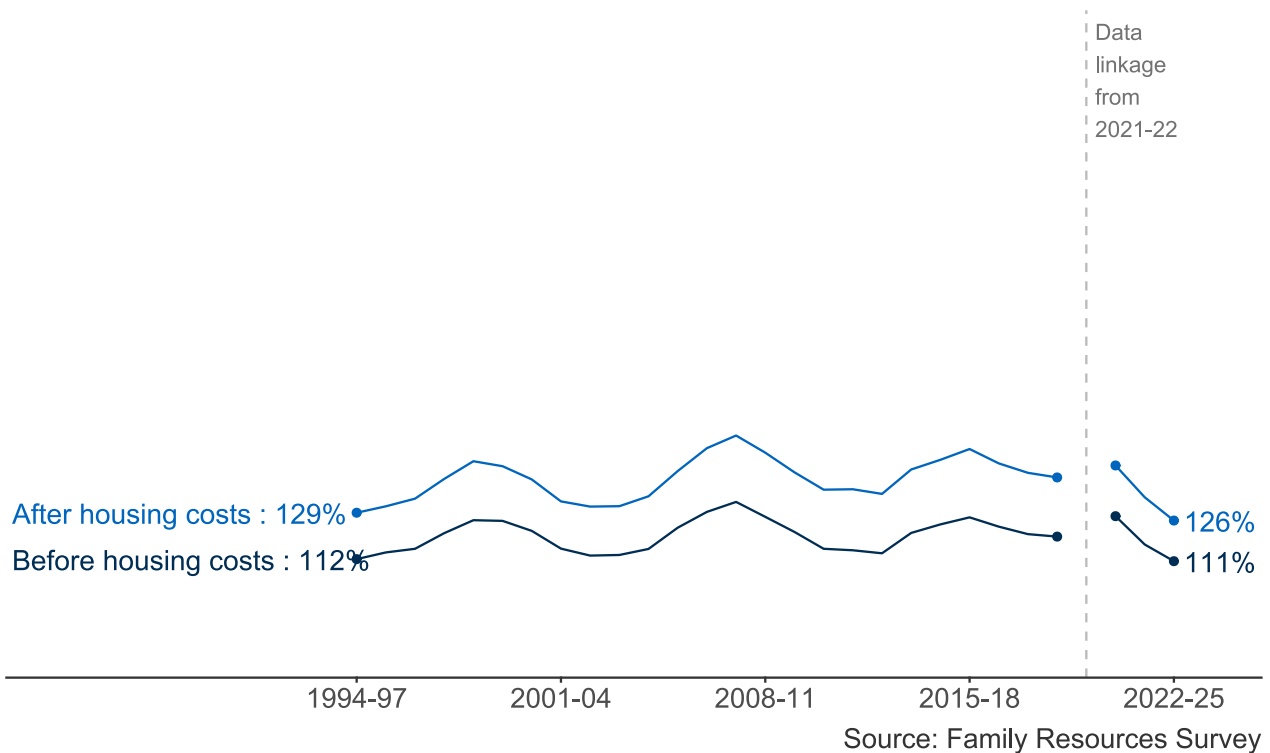
7.2 Palma

The Palma ratio of income inequality is the total income of the top ten percent of the population divided by the total income of the bottom forty percent of the population (written as a percentage). It is commonly used to estimate how much more income top-income households have compared to those at the bottom.

The Palma ratio is usually calculated from income before housing costs, but we have included it for after housing costs income as well. After housing costs incomes are distributed more unequally.

Income inequality has been fluctuating since this data collection started in the mid-nineties. In 2022-25, the top ten percent of the population had 11% more income (before housing costs) than the bottom forty percent combined.

Figure 13: Palma ratio of income inequality, Scotland

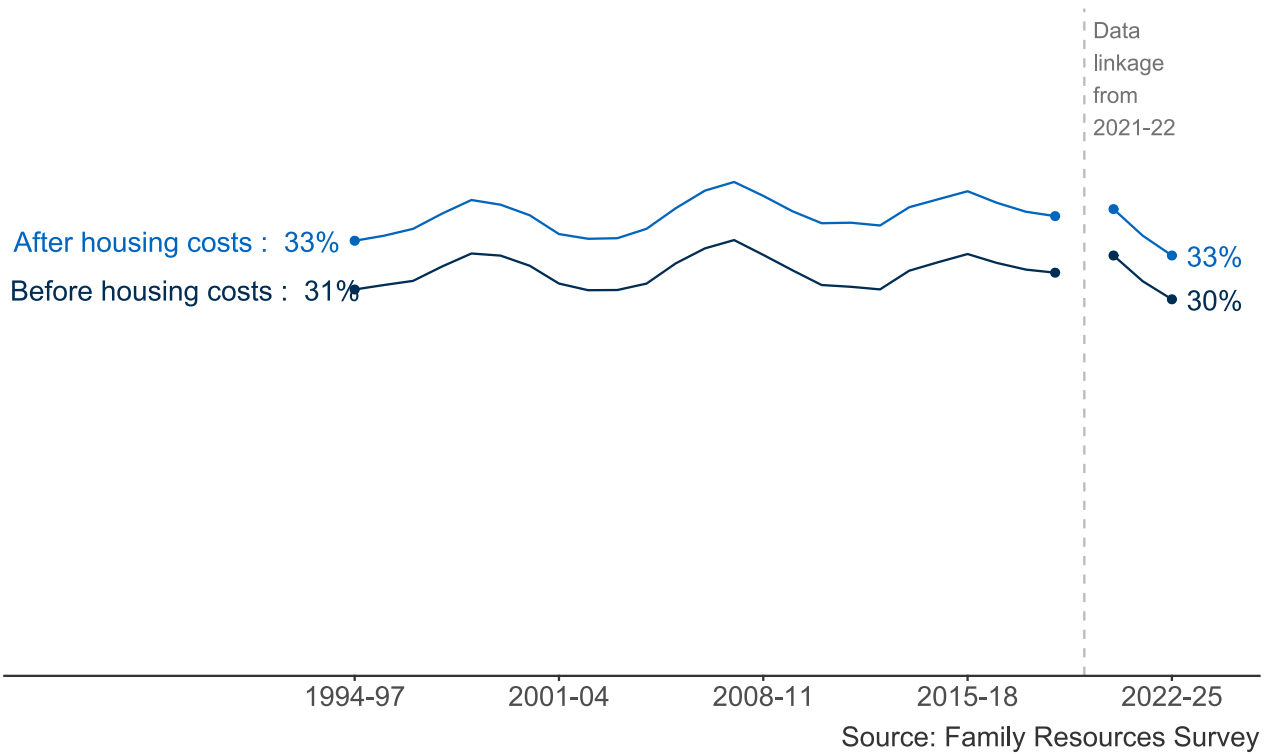


7.3 Gini

The Gini coefficient measures income inequality on a scale from 0% to 100%. A coefficient of 100% means that only one person has an income, and everyone else has none. A value of 0% means that everyone has the same income.

Income inequality has been fluctuating since the beginning of this data collection in the mid-nineties. In 2022-25, the Gini coefficient (before housing costs) was 30%. The Gini coefficient is usually calculated from income before housing costs, but we have included it for after housing costs income as well. After housing costs incomes are distributed more unequally.

Figure 14: Gini ratio of income inequality, Scotland

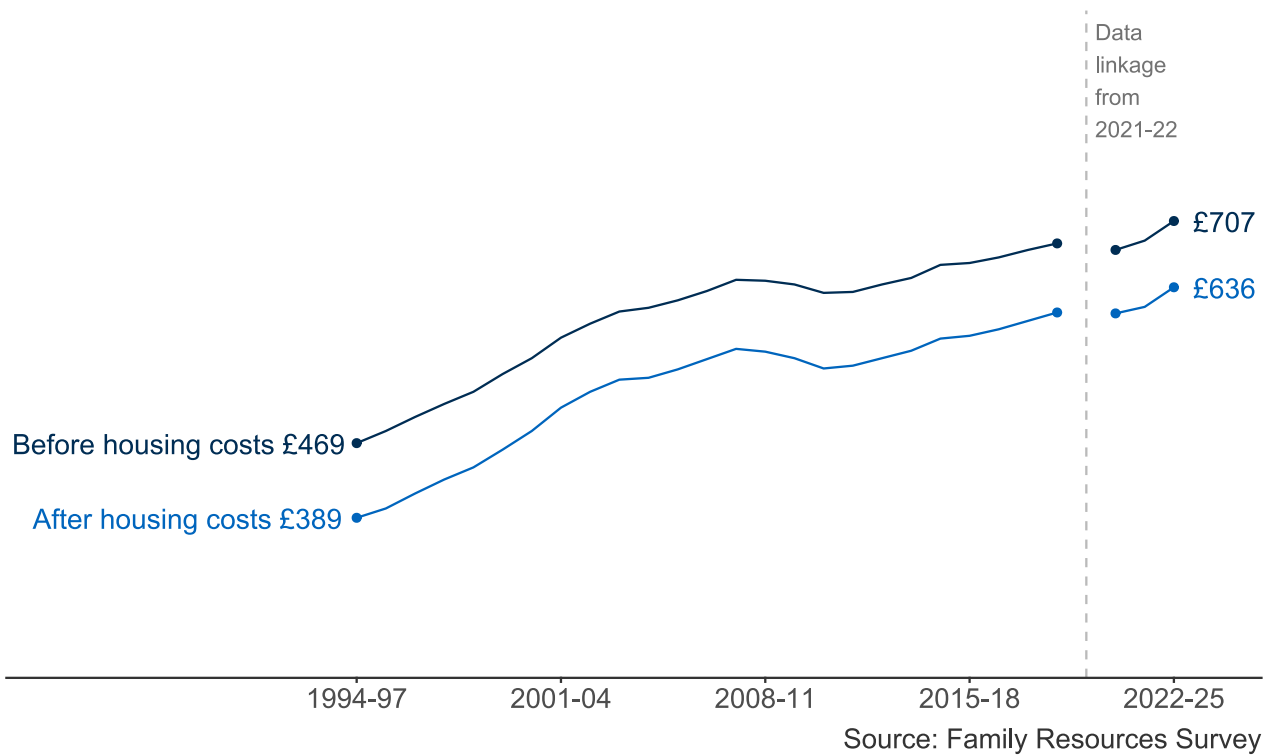


7.4 Income trends

In 2022-25, median household income before housing costs was £707 per week. Median income has increased slowly but steadily since the recession in 2008/09. Following the same trend, median income after housing costs was £636 per week in 2022-25.

Median incomes for children, working-age adults and pensioners can be found in the associated tables.

Figure 15: Median weekly household income in 2024-25 prices, Scotland

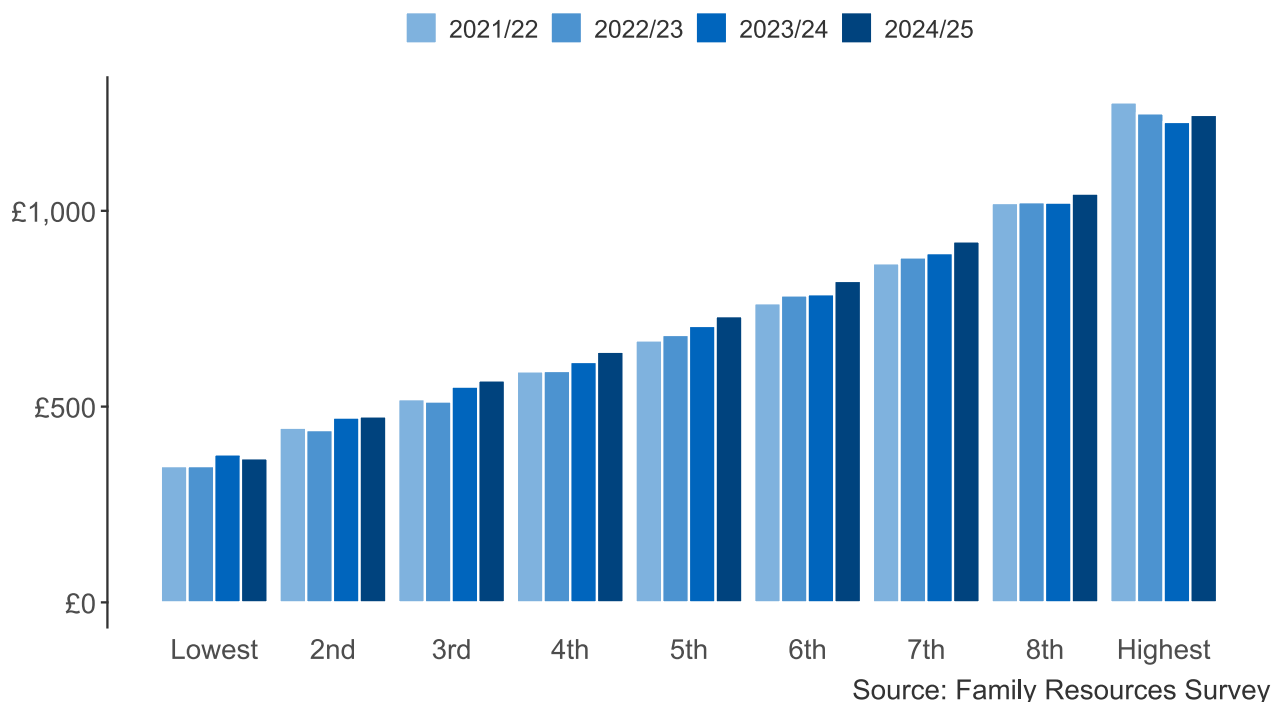


Decile points are the income values which divide the Scottish population, when ranked by income, into ten equal-sized groups. These ten groups are called **decile groups**; for example 'the bottom decile' is used to describe the bottom ten percent of the population.

Figure 16 shows inflation-adjusted weekly equivalised incomes before housing costs across the different income deciles for the last five years, using individual years of data. For most deciles there have been increases in the weekly income since 2021/22 but not in the 9th decile.

From year to year, the decile points fluctuate slightly, partly because of actual fluctuations in the income distribution, and partly due to the particular survey samples in each year.

Figure 16: Weekly household income before housing costs at each decile point in 2024/25 prices, Scotland



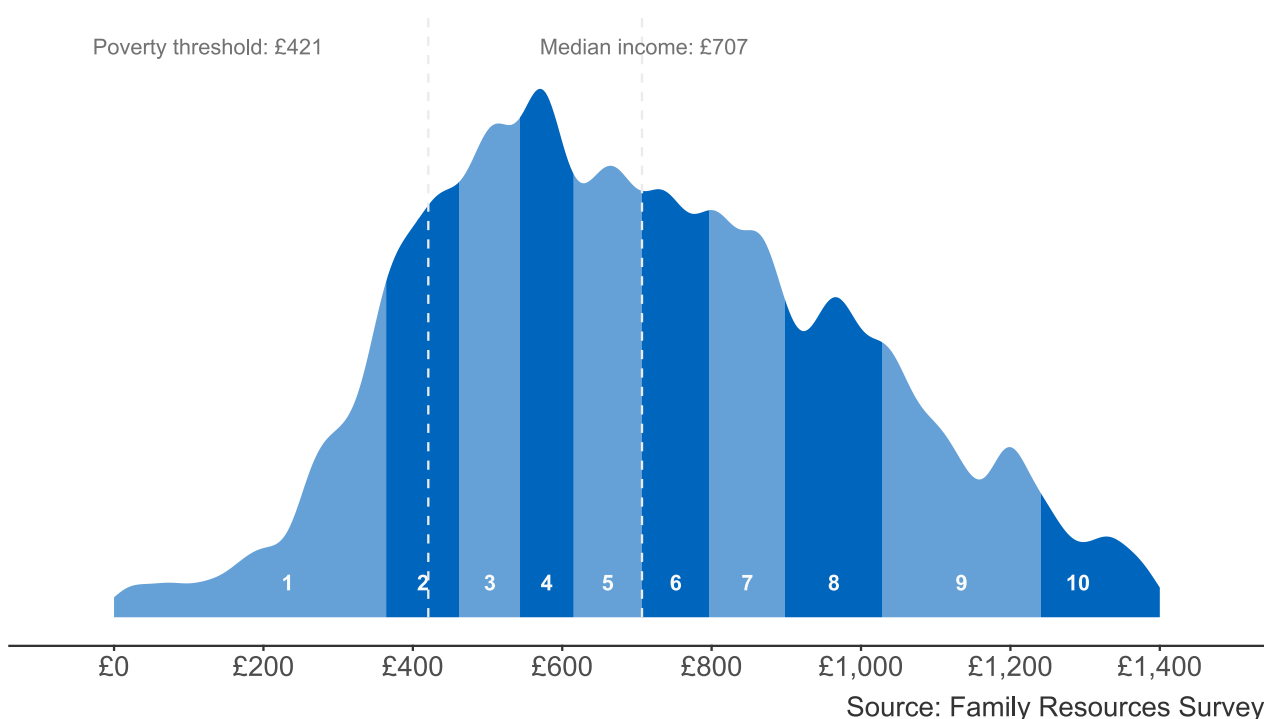
7.5 Income distribution

Figure 17 shows the distribution of weekly income before housing costs across Scotland in 2022-25 with relative poverty threshold, UK median income, and Scottish income decile groups.

Many people have household incomes near the poverty threshold. This means that small movements in the overall distribution can sometimes lead to sizeable movements in poverty rates.

[Decile groups](#) are groups of the population defined by the [decile points](#). The first decile group is the ten percent 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.

Figure 17: Equivalised weekly household income distribution before housing costs by decile group, Scotland 2022-25



7.6 Poverty thresholds

Most of the income estimates in this publication are based on equivalised income. This means that household income is adjusted to reflect different household sizes and compositions. When income is not equivalised, households of different sizes have different poverty thresholds. The table below shows the relative and absolute poverty 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; incomes of all other household types are adjusted (equivalised) to reflect their different household composition. The table below provides some examples and full details of how incomes are equivalised are in the [background notes](#).

Table A: Weekly income and poverty thresholds for different household types after housing costs, Scotland 2022-25

Measure	Single person with no children	Couple with no children	Single person with two children (aged 5 and 14)	Couple with with two children (aged 5 and 14)
UK median income	352	606	728	982
Scottish median income	369	636	763	1030
Relative poverty threshold (60% of UK median income)	211	364	437	589

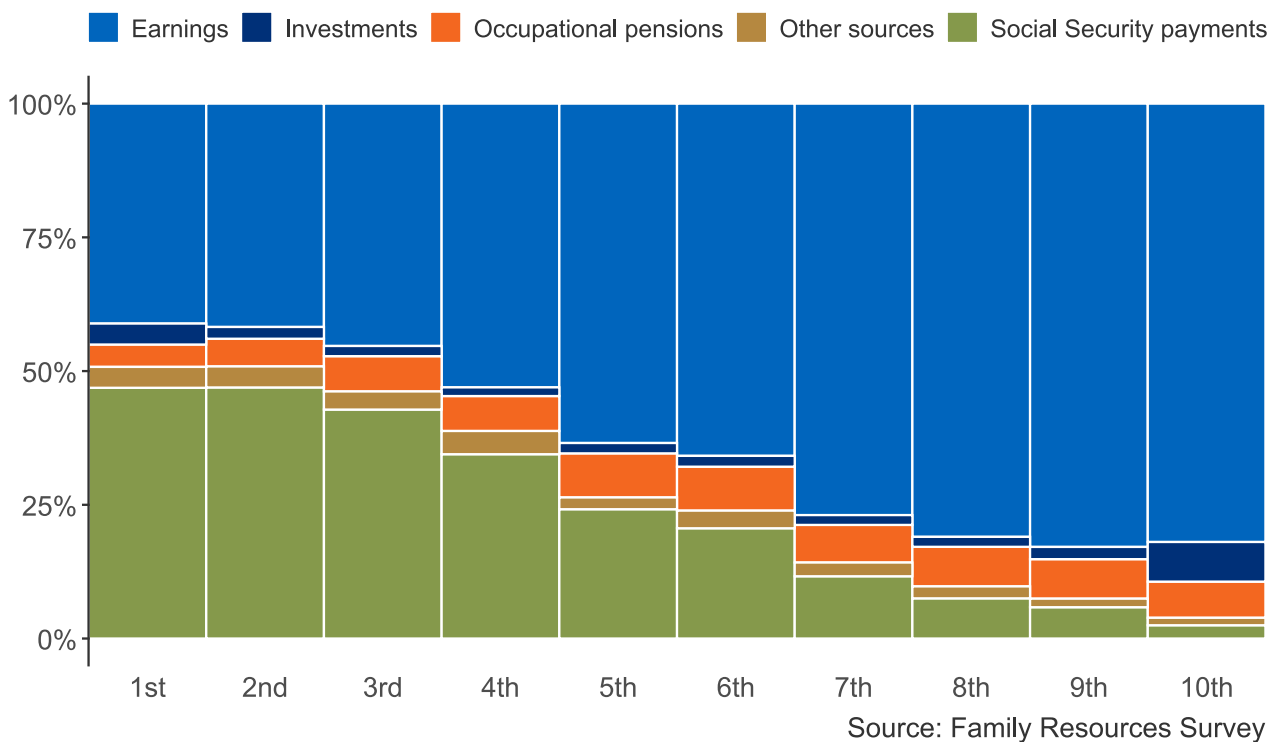
7.7 Income sources

Figure 18 shows the different sources of gross income by decile group, ranking the population by income and dividing it into ten equal-sized groups. Income components are considered before tax; this is therefore a different definition of household income from that used elsewhere in this report.

Higher income households receive a large proportion of their income from earnings, and lower income households receive more of their income from social security payments. Social security payments include the state pension.

Earnings account for less than half of gross income for those in the first three decile groups compared to over 80% for those in the top three decile groups.

Figure 18: Household income by source, Scotland 2022-25



8 Data source

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 (FRS). UK figures are published by DWP in [Households Below Average Income](#) on the same day as this publication. For the UK figures, as well as more detail about the way these figures are collected and calculated, see the [DWP website](#).

8.1 What does 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.

Data is collected during the financial year, so between April and March of the following year. Statistics are usually published in March, a year after the end of the data collection.

The living standards of an individual depend not only on their 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 in the [Definitions section](#).

8.2 Population coverage

The Family Resources Survey 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 for the first time in the 2001/02 survey year.

For further information see the DWP's [Households Below Average Income publication](#).

8.3 Data collection during the coronavirus pandemic

The coronavirus - COVID 19 pandemic severely disrupted the data collection in 2020/21. As a result, we were unable to obtain a representative sample for Scotland in that year. This means that the periods 2018-21, 2019-22 and 2020-23 only contain data from two financial years. Therefore, some real changes that happened to incomes, such as the furlough scheme or the temporary increase of Universal Credit, are only partially captured in the time series.

Statistics reverted to a 3-year average in 2021-24. However, although we have 3 years' worth of data, the pooled sample is around a third less than in 2017-20 due to response rates being lower since the pandemic. Response rates are showing signs of recovery but results can still be volatile, and changes need to be interpreted with caution. In the 2024/25 survey year the Scottish sample was 1,900 households.

More information about the impact of the pandemic on data collection and the data itself is available in DWP's [HBAI Technical report](#). DWP's [FRS report](#) also includes further detail on the 2024/25 fieldwork.

8.4 Reliability of estimates

Estimates in this report are based on a sample survey and are therefore subject to sampling variation as well as other measurement error.

Confidence intervals describe measurement uncertainty that comes from using a random sample to represent a whole population. There are other sources of measurement error, which are not captured by confidence intervals. This means that confidence intervals can only represent part of the measurement uncertainty.

We use two kinds of confidence intervals. "Bootstrap" confidence intervals for 2022-25 presented in the [measurement uncertainty](#) section. We have also provided indicative confidence intervals for download in two spreadsheets (one-year and three-year estimates are packaged up separately). The indicative confidence intervals are not as accurate as those calculated for the key figures, but they provide a time series going back to the mid 1990s and sufficiently reflect how sample size and variation affect measurement uncertainty.

9 Methodological changes

This section provides details of recent methodological changes to the statistics.

9.1 Development of Family Resources Survey data

As previously announced in the [HBAI release strategy](#), these statistics have been revised from 2021/22 following a methodological change which links FRS data with administrative records on social security benefits provided by DWP and tax credits. In summer 2026, a follow up publication will include revisions for further years back to 2018/19.

The new method aims to correct for the known undercount of benefit receipt reported through the survey. The method replaces most survey-reported benefit income and tax credits with data derived from administrative records. It also adds benefit income for households who did not report benefits in the survey, but appear in the administrative records, and removes them if they are not in the administrative data but were originally reported through the FRS.

Full methodological information on the linkage has been published by DWP under [FRS transformation](#).

9.2 Presentation of changes

Within the report, the introduction of data linkage has been presented as follows

- On **charts**, we have shown a break in the series with a grey vertical line. We advise users not to make a direct comparison of changes before and after the integration of administrative data. Additionally, three-year estimates for 2019-22 have not been presented as they include one year of linked data (2021/22) and one year of unlinked data (2019/20).
- In the **excel publication tables**, lines have been added to clearly identify where the integration of administrative data starts. Please note that the location of lines differs for the one-year and three-year estimates. Similar to the chart presentation, estimates for the period 2019-22 have been removed.

9.3 Official statistics in development and future plans

As outlined in the introduction, this publication has been badged as official statistics in development to highlight to users both the methodological changes outlined above and planned changes to the statistics next year. The devolved administrations (including the Northern Ireland Department for Communities and the Welsh Government) have adopted the same approach but DWP's UK outputs remain accredited official statistics due to having a larger data sample and higher levels of confidence in results.

In summary the following developments are planned:

- In summer 2026, the statistics will be further revised, with data linkage being going back to 2018/19. This will provide a longer time series on the same basis to make comparisons. Because the break in series will be at 2018/19 the 2024/25 reference year for absolute poverty will also be applied back to 2018/19. The 2010/11 reference year will be maintained prior to 2018/19.
- For the 2027 publication, the way the statistics are scaled to population totals (known as grossing) will be updated. This update will incorporate the latest census population data and may result in further revisions to the poverty rates. Future changes are announced in the [FRS release strategy](#), which is updated periodically as plans develop.

The development of data linkage to benefits will improve the quality of data in the longer term but there will be a period of flux. It is our intention that the official statistics in development badge is a temporary status. This acknowledges that methods are in transition, enables clearer guidance to users on what is changing and why, and transparently signals uncertainty in the estimates and any trend comparisons, with figures subject to revision as developments are rolled out. A [letter](#) from the Scottish Government outlining the change in designation is published on the Office for Statistics Regulation website.

Users should be aware because the FRS data transformation has disrupted trends, we are publishing a shorter report this year. We have therefore not included charts showing poverty rates by child poverty priority groups or equality groups, though all statistics remain available in the accompanying spreadsheets. We will review publication content once a longer data series is available in March 2027 and we are better able to consider trends for population subgroups. Similarly, we have not presented charts on food security, but these results are still contained in the spreadsheets.

9.4 Scottish Child Payment

Scottish Child Payment (SCP) was introduced in February 2021 for low income families with children under 6 years old and eligibility was extended to under 16-year olds from November 2022. The FRS began collecting data on Scottish Child Payment (SCP) in the 2020/2021 survey year but undercounts of the benefit were observed.

SCP receipt is imputed for FRS benefit units that qualify because they already receive benefits like Universal Credit and Jobseeker's Allowance. The imputation uses age-specific take-up rates to create more precise estimates of SCP income for its use within the FRS dataset. The method was agreed in consultation between SG and DWP analysts and is applied to the 2023/24 and 2024/25 datasets. This year SCP levels for 2022/23 were also revised to account for the eligibility being extended to a wider age range part way through the survey year.

Because data linkage has resulted in an increase in the FRS coverage of Universal Credit and other qualifying benefits, the coverage of SCP has also increased. DWP

have published comparisons between the 2024/25 estimated level of SCP recipients through the FRS and the administrative caseload in their methodology tables. The undercount of 5% for 2024/25 is an improvement of the undercount of 25% for 2023/24 prior to data linkage.

9.5 Treatment of devolved Scottish disability benefits

Devolved Scottish benefits are not included in the linkage at this stage. However, DWP have taken steps to make the largest Scotland-specific benefits marry up more closely to known caseloads. For the 2023/24 and 2024/25 survey years this applies to Child Disability Payment and Adult Disability Payment.

Child Disability Payment (CDP) is the replacement for Disability Living Allowance (DLA) for children in Scotland, which was previously delivered by DWP. Payments started in **August 2021**, beginning with a small caseload and increasing as cases were transferred from DWP to Social Security Scotland. It provides money to help with the extra care and mobility costs that a child or young person living with a disability might have.

Adult Disability Payment (ADP) is the replacement for Personal Independence Payment (PIP) and DLA for adults in Scotland, which were previously delivered by DWP. Payments started in **April 2022**, beginning with a small caseload and increasing as cases were transferred from DWP to Social Security Scotland. It provides money to help with the extra daily living and mobility costs that a person living with a disability might have.

The linkage process matches FRS survey responses to central administrative data on benefits, based on national insurance numbers. There is evidence that some Scottish respondents still report PIP or DLA by mistake, even though they have already been moved onto the new Scottish benefits. Because of this, the system cannot find a matching record.

When the system cannot match the benefit reported in the survey to the administrative records, the survey entry is typically removed from the dataset. To avoid undercounting Scottish disability benefits, DWP analysts have reinstated the PIP or DLA questionnaire responses manually and recoded them as the correct Scottish benefit.

No adjustments were made for Scottish disability benefits in the 2022–23 survey year because the caseloads were still relatively small. Any cases where PIP or DLA were genuinely still being paid in Scotland will be reflected in the statistics, as these will match the administrative records correctly.

DWP continue to research the integration of other administrative sources, including HMRC data on earnings. DWP have received authorised access to Social Security Scotland's administrative records on devolved benefits. Processes will need to be set up and tested so these data may be linked to the FRS data as part of future developments.

10 Definitions

10.1 Household 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 dependents. An adjustment is made to sample cases at the top of the income distribution to correct for volatility in the highest incomes captured in the survey.

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 National Insurance contributions)
- all UK and Scottish social security payments, including housing and council tax benefits, tax credits, and the state pension
- 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
- parental contributions to students living away from home

10.2 Income sources

The analysis on [income sources](#) is the only analysis in this report using gross income. This analysis is based on income before taxes from employment or self-employment, social security payments, investment, occupational pensions and other income. In some cases, income from self-employment was negative in a year, for example, when someone in self-employment made a loss. In these cases, total income from earnings was set to zero. Negative investment income was also set to zero.

10.3 Housing costs

Housing costs include the following: rent (gross of housing benefit); water rates; mortgage interest payments; structural insurance premiums; ground rent and service charges.

This publication presents analyses on two bases:

- **Before Housing Costs (BHC)** where the housing costs are not deducted from the reported household income.
- **After Housing Costs (AHC)** (AHC) where housing costs are deducted from the reported household income.

10.4 Real prices

Unless otherwise stated, all figures relating to income are in 2024/25 prices. Values from previous years are updated to account for inflation using a variant of the Consumer Price Index (CPI).

A change in methodology was applied in 2014/15 prior to which the Retail Price Index (RPI) was used. Full details can be found at this link: [Methodological changes to poverty statistics \(pdf\)](#)

10.5 Equivalisation

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 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 the companion scale for income After Housing Costs (AHC).

Table 1: Modified OECD equivalence scales, rescaled to a couple without children

Household member	Before housing costs	After housing costs
First adult	0.67	0.58
Spouse	0.33	0.42
Additional adults	0.33	0.42
Children aged 0-13	0.20	0.20
Children aged 14+	0.33	0.42

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 [methodology report](#) on the Scottish Government website.

10.6 Poverty measurement

Individuals are defined as being in poverty if their equivalised net disposable household income is below the poverty line. Different poverty measures have different poverty lines, for example:

- **Relative poverty** is the most commonly used poverty measure. The relative poverty line is 60% of the UK median income in the same year. People are in relative poverty if they live in a household whose equivalised income is below this amount. Relative poverty statistics fall if income growth at the lower end of the income distribution is greater than overall income growth.
- **Absolute poverty** measures whether the incomes of low-income households are keeping pace with inflation. The absolute poverty line is fixed at 60% of median UK income in a given reference year. Due to the structural break introduced by the data linkage the reference year for absolute poverty has been moved from 2010/11 to 2024/25. From 2021/22 the reference year is 2024/25. Prior to 2021/22, the reference year is 2010/11.
- The **severe poverty** line is 50% of the UK median income in the same year. People are in severe poverty if they live in a household whose equivalised income is below this amount. Severe poverty statistics fall if income growth at the lowest end of the income distribution is greater than overall income growth.

The latest poverty lines can be found in the [Poverty thresholds section](#).

10.7 Measures of Dispersion

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 poverty.

Decile points are the income values which divide the Scottish population, when ranked by income, into ten equal-sized groups. These ten groups are called **decile groups**; for example 'the bottom decile' is used to describe the bottom ten percent of the population.

10.8 Material deprivation definitions

Material deprivation is an additional way of measuring living standards and refers to the self-reported ability of individuals or households to afford goods and activities that are typical in society at a given point in time. Statistics are derived from questions on whether household members can afford items listed on the FRS questionnaire.

An update was applied to the material deprivation suite of questions from 2023/24, meaning the definitions shifted as indicated below. Full details were published in last year's report and DWP's separate technical report.

Child low income and material deprivation:

- From 2023/24, a child is classified as being in combined low income and child material deprivation if they live in a family that is lacking 4 or more items

(from an updated list of 22 items) and has a household income below 70% of the median.

- Prior to 2023/24, a child was classified as being in combined low income and child material deprivation if they lived in a family that was lacking 6 or more items from a different list of 21 items and the household income was below 70% of the median.

Pensioner material deprivation:

- From 2023/24 a pensioner is classified as being in material deprivation if they are lacking 4 or more items from an updated list of 19 items.
- Prior to 2023/24 a pensioner was classified as being in material deprivation if they were lacking 4 or more items from a list of 15 items.

10.9 Deep Material Poverty definition

This report also includes the new “**deep material poverty**” measure for children. This measure was developed by DWP to capture children experiencing a deeper level of poverty with [first results published](#) in December 2025. It is one of the headline metrics for the UK child poverty strategy but is not a statutory target measure for the Scottish Government. The measure draws on results from a subset of the material deprivation questions.

This measure is drawn from a subset of the 22 child material deprivation questions; of these 13 are seen as “essential items”. A child is classified as being in deep material poverty if they lack at least 4 out of 13 essential items. A lack is defined as being due to financial constraints rather than personal choice.

The 13 essential items were selected from the full list of questions, based on their perceived necessity. The essential items were informed through a public consultation and research conducted as part of the 2023 to 2024 material deprivation review by the London School of Economics. This selection process aimed to ensure the items reflect current public views on what constitutes basic needs.

More information on this measure can be found in DWP’s [first release](#) of these statistics.

10.10 Food security

Results for food security are contained in the downloadable spreadsheets. Commentary has not been provided this year due to the focus on the data linkage method changes. We anticipate this being a temporary position and we will review content ahead of the March 2027 publication.

The Family Resources Survey collected household food security information for the first time in 2019/20. The questions were adopted from the [United States](#)

[Department of Agriculture's Adult Food Security Survey Module](#), using a 30-day reference period, and using the same food security levels (“high”, “marginal”, “low”, “very low”).

The food security analysis excludes [shared households](#), such as a house shared by a group of professionals. These respondents may not have insight into the food security status of others in their household and may not regularly share financial information.

Previously, data on household food insecurity in Scotland had been collected by the Scottish Health Survey. The measure in this report is different from the one from the Scottish Health Survey, because it is based on different questions, which are asked in a different context, using a different sample of the population, and refer to a different period of time. Therefore, these measures cannot be directly compared.

10.11 Dependent children

In this publication, ‘child’ refers to a dependent child. A dependent child is a person aged 0-15, or a person aged 16-19 and: not married nor in a Civil Partnership nor living with a partner, and living with their parents, and in full-time non-advanced education or in unwaged government training.

10.12 Single parents

In this publication, ‘single parents’ and ‘single mothers’ refer to a situation where the primary residence of a dependent child is in a family with one adult. Data for single fathers is not available due to small sample sizes. This family type does not necessarily imply that the child only has contact with one parent. The child may have non-resident parents who contribute to their welfare. Income transfers from a non-resident parent to the resident parent (such as Child Maintenance payments) are included in the household income.

It is also possible that a single parent family shares a household with another family, for example the child’s grandparents. Income from all household members contribute to the household income and determine whether the household is in poverty.

10.13 Household head

The head of the household is the adult with the highest income. If two adults have the same income, it is the older person.

10.14 Shared households

A shared household is a household where the household reference person is unclear or arbitrary, such as a group of students, unrelated adults etc., where the household is being shared on an equal basis. Households where adult children are living with their parents or where there are lodgers, but the owner lives in the household, are both not considered shared households for the purposes of this definition.

11 Find more information

11.1 Tables and further analysis

This publication contains the headline poverty, child poverty and household income statistics. Associated tables are available for download and contain:

- all estimates used in the charts
- additional relative and severe poverty and child poverty estimates including numbers, rates and compositions of those in poverty disaggregated by a wide range of personal and household characteristics such as:
 - housing tenure
 - family type
 - economic status
 - urban / rural area
 - Scottish Index of Multiple Deprivation decile
 - number of children in household
 - child age

11.2 Local poverty analysis

The main poverty data source, the Family Resources Survey, provides information at national level only. Alternative data sources are not directly comparable with the official poverty estimates presented in this report.

More information on [local poverty and income analysis from alternative data sources](#) is available.

11.3 Persistent poverty

New figures on persistent poverty were published on 26th March 2026.

Persistent poverty identifies the number of individuals living in relative poverty for 3 or more of the last 4 years. It therefore identifies people who have been living in poverty for a significant period of time, the rationale being that this is more damaging than brief periods spent with a low income, with the impacts affecting an individual through their lifetime.

One of the four statutory child poverty target measures is persistent child poverty after housing costs.

These figures come from the Understanding Society survey which tracks individuals over time. The persistent poverty figures are not directly comparable to the figures

in this publication as they use different income definitions and cover different time periods, but they provide useful additional information on poverty in Scotland.

11.4 Scottish Government websites

Further analysis based on the FRS and HBAI datasets is published by the Scottish Government throughout the year on the Scottish Government's poverty and child poverty statistics webpages. Previous poverty reports and other Scottish Government statistics are available here:

- [Poverty and income inequality analysis](#)
- [Child poverty analysis](#)
- [Wealth analysis](#)
- [Scottish Index of Multiple Deprivation](#)
- [Further information on all Scottish Government statistics](#)
- [Scottish Government approach to tackling poverty](#)

12 Measurement uncertainty

The poverty estimates in this report are based on the Family Resources Survey (FRS). This is a sample survey, and therefore there is some degree of uncertainty around the estimates produced. For example, when it is reported that 18% of individuals are living in relative poverty after housing costs, then this should be understood not as an exact figure but as a best estimate within a range.

12.1 Why estimates are uncertain

Different random samples from the same population will produce slightly different results, and these will also differ from the result you'd get by surveying the whole population. This uncertainty is called sampling error.

We estimate sampling error by considering how results would vary if many samples were taken for the same time period. This gives us a range around the estimate—called a confidence interval—that tells us how likely it is that the true population value lies within that range. A 95% confidence interval means we can be 95% sure the true value falls inside the limits. Confidence intervals provide a guide to how robust the estimates are.

Tables 1 to 4 below provide 95% confidence limits around the key poverty estimates. For example, the proportion of individuals in relative poverty after housing costs in 2022-25 was 17.5%, with a lower confidence limit of 15.1% and an upper confidence limit of 19.8%. This means that we can be 95% confident that the percentage of individuals in relative poverty lies between 15.1% and 19.8%. Similarly, the lower confidence limit for the number of people in relative poverty was 820,000, and the upper confidence limit was 1,070,000.

We measure uncertainty in two different ways. Bootstrapping is more accurate, but takes more time to calculate. We also calculate indicative confidence intervals, which are available to download as spreadsheets. These are less accurate, but still reflect how sample size and variation affect measurement uncertainty over time.

12.2 Bootstrapped intervals

The most accurate methodology used to calculate confidence intervals for poverty estimates is called bootstrapping.

In the bootstrap, multiple new samples (resamples) of the dataset are created, with some samples containing multiple copies of one case with no copies of other cases. Exploring how an estimate would change if we were to draw many survey samples for the same time period instead of just one sample allows us to generate confidence intervals around the estimate.

The bootstrapped confidence intervals below were produced by DWP. More information their methodology can be found in the [statistical notice \(pdf\)](#).

Table 2: Relative poverty after housing costs - central estimates and 95% bootstrap confidence intervals, Scotland 2022-25

Group	Proportion	Number
People	17.5% (15.1 - 19.8%)	940,000 (820,000 - 1,070,000)
Children	21.5% (16.2 - 26.6%)	210,000 (160,000 - 260,000)
Working-age adults	17.8% (15.1 - 20.6%)	600,000 (510,000 - 700,000)
Pensioners	12.5% (9.1 - 14.8%)	130,000 (90,000 - 150,000)

Table 3: Relative poverty before housing costs - central estimates and 95% bootstrap confidence intervals, Scotland 2022-25

Group	Proportion	Number
People	15.5% (13.1 - 17.9%)	840,000 (710,000 - 970,000)
Children	18.5% (13.2 - 23.6%)	180,000 (130,000 - 230,000)
Working-age adults	14.7% (12.2 - 17.3%)	500,000 (410,000 - 580,000)
Pensioners	15.1% (11.4 - 17.7%)	160,000 (120,000 - 180,000)

Table 4: Absolute poverty after housing costs - central estimates and 95% bootstrap confidence intervals, Scotland 2022-25

Group	Proportion	Number
People	18.4% (15.7 - 21%)	1,000,000 (850,000 - 1,130,000)
Children	23.4% (18.2 - 29.1%)	230,000 (180,000 - 290,000)
Working-age adults	18.4% (15.4 - 21.1%)	620,000 (520,000 - 710,000)
Pensioners	13.7% (9.8 - 15.9%)	140,000 (100,000 - 170,000)

Table 5: Absolute poverty before housing costs - central estimates and 95% bootstrap confidence intervals, Scotland 2022-25

Group	Proportion	Number
People	16.6% (13.9 - 19%)	900,000 (750,000 - 1,030,000)
Children	20% (13.9 - 25.2%)	200,000 (140,000 - 250,000)
Working-age adults	15.6% (12.9 - 18.2%)	530,000 (430,000 - 610,000)
Pensioners	16.7% (13 - 19.7%)	170,000 (140,000 - 200,000)

12.3 Indicative intervals

We also produce simpler 95% confidence intervals to show measurement ranges over time. Using Scotland data across two single-year periods and four three-year periods, we calculated simplified standard errors for several poverty indicators and population groups. These standard errors account for the survey's complex design but treat poverty rates as linear, effectively assuming the poverty line has no measurement uncertainty.

We compared these simplified standard errors with bootstrapped standard errors. Because the simplified method ignores uncertainty in the poverty line, it underestimates overall uncertainty and produces confidence intervals that are too narrow. To correct this, we apply an adjustment factor based on the average difference between simplified and bootstrapped standard errors. This adjustment was similar across all groups. The corrected values form our indicative confidence intervals.

For three-year averages, we pooled the data to calculate standard errors. (Note that this is a different approach from calculating poverty rates for a three-year period – for that, we would take a simple mean of the three single-year estimates.) The pooling leads to a larger sample size, resulting in smaller standard errors.

As an example, for 2017-20, the correction factor ranged from 1.2 to 1.8, with a mean of 1.5. Note that our approach made the following assumptions:

- We assume that an average correction factor can sufficiently correct for the fact that we consider the poverty line not subject to measurement uncertainty.
- The average correction factor is based on large groups (all people, all children, all working-age adults, all pensioners in Scotland), but we assume that it applies to further disaggregations equally.
- In successive years, samples are not independent (half of the primary sampling units get reused), but we treat them as if they were, and we assume that the impact on standard errors is negligible.

To mitigate the difference between (accurate) bootstrapped and (less accurate) simplified confidence intervals, we used correction factors of 1.5 for two-, three- and five-year averages, and 1.7 for single-year estimates. These correction factors are a pragmatic compromise, taking into account mean correction factors.

Applying the correction factor widened the resulting confidence intervals, reflecting the fact that the poverty line itself is subject to measurement error as well. The widened confidence intervals can be obtained for any subgroup of the population, and they are indicative of measurement uncertainty around poverty estimates.

We think that the resulting indicative confidence intervals are useful to assess:

- uncertainty over time and provide an understanding of ranges around central estimates
- provide clues as to whether trends and differences are likely to be meaningful or noise
- support a conversation about measurement uncertainty and other sources of error

13 Official statistics in development

These statistics are official statistics in development. Official statistics in development may be new or existing statistics, and will be tested with users, in line with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#).

Results from the Family Resources Survey are undergoing major methodological changes to enhance the use of administrative data through data linkage. To reflect this transition and signal current and upcoming methodological updates, this publication is badged as official statistics in development. The devolved administrations are using the same designation, though DWP's UK-wide outputs remain accredited official statistics due to their larger sample size and higher confidence levels.

Linking to administrative data will improve data quality over time, although there will be a period of adjustment. The official statistics in development classification is intended to be temporary. It highlights that methods are changing and makes potential revisions transparent.

A [letter](#) from the Scottish Government explaining the change in designation is available on the Office for Statistics Regulation website. In addition, future changes are announced in the [FRS release strategy](#) which is updated periodically as plans develop.

Scottish Government statistics are regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) that all producers of official statistics should adhere to.

More information about Scottish Government statistics is available on the [Scottish Government website](#).

Tell us what you think

We are always interested to hear from our users about how our statistics are used, and how they can be improved.

Enquiries

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Access source data

The data collected for this report cannot be made available by Scottish Government for further analysis, as the Scottish Government is not the data controller. However, the data controller (the UK Department for Work and Pensions) are making the data available through the [UK Data Service](#).