



Poverty and the Impact of Coronavirus on Young People and Families in Scotland

October 2020

We are Includem

Our mission: To provide the support young people need to make positive changes in their lives, and inspire a more hopeful future for young people, their families and communities.

Our vision: A world where every young person is respected, valued, and has the opportunity to actively participate in all aspects of life and society.

We work closely with children, young people, and their families, who are facing difficult challenges in their lives. Our trust-based, inclusive model of support is centred on the needs of each young person. We help young people make positive life choices and empower them to transform their lives, creating better outcomes for young people and their communities.

Executive Summary

We asked families we support what their experiences of meeting day-to-day costs has been like over the past 12 months and what impact the coronavirus has had on them. Families told us that the five biggest areas of financial pressure were:

- **Food insecurity**
- **The cost of heating their home**
- **Transport costs and the impact this has on choice and access**
- **Housing costs and the impact this has on their ability to access appropriate housing for their family needs**
- **Accessing the internet**

Since the coronavirus pandemic began, roughly half of the families surveyed told us that their financial situation has worsened and their debt has increased. For families who receive social security, these issues are particularly pronounced. **Two thirds of the young people and families reliant on social security told us they were in a worse financial position than they were pre-pandemic** and half said their debt was greater. **Three quarters of families told us that their mental health had deteriorated** because of their worsening financial situation. For those reliant on social security, the impact is even greater with **82% reporting that their mental health is worse now than it was a year ago.**

Background

The coronavirus pandemic has highlighted the devastating impact of poverty in Scotland, with many families struggling to cover the essential costs. Working with families experiencing entrenched poverty, Includem is acutely aware of the wide-ranging and long-lasting effects of poverty on mental and physical health, educational attainment, and access to employment.

Research from IPPR published in May of this year found that nearly half (49%) of households with dependent children in Scotland find themselves in the two most serious categories of financial stress – ‘in serious financial difficulty’ or ‘struggling to make ends meet’.¹

Such financial stress is situated in a context of stark levels of wealth inequality, with the STUC noting Scotland’s two richest families now have as much wealth as the poorest 20% of the population, while Scotland’s richest twenty families are wealthier than the bottom 30% of the population combined.²

While the Scottish Government has taken some positive steps to tackle child poverty, action is not as urgent or comprehensive as is so desperately needed. Discussions of ‘considerable progress’³ do not, regrettably, reflect the experiences of the families we support. Scotland’s children, young people, and families cannot wait. This is why Includem has called on the Scottish Government to lead an immediate, systematic effort to address child poverty.⁴

As part of our continued commitment to tackle entrenched poverty and amplify the voices of those we support each and every day, we have conducted this research to identify the extent of the challenges faced by them. We received 126 completed survey responses from young people and families, representing around half of those Includem support.

Key Findings

Of the 126 young people and families surveyed, 65% of respondents reported social security was their primary source of income. The remaining 35% reported that employment was their primary source of income at the start of lockdown, however this is changing as unemployment increases.

While poverty is shown to more sharply affect families whose primary income source is social security, many of the families we support were in insecure employment at the start of the pandemic and live in ‘working poverty’.⁵

¹ <https://www.ippr.org/blog/covid-19-how-are-families-with-children-faring-so-far>

² <https://www.stuc.org.uk/files/Policy/Research-papers/peoples-draft-6.pdf>

³ <http://www.gov.scot/publications/tackling-child-poverty-delivery-plan-second-year-progress-report-2019-20/>

⁴ <https://www.includem.org/news/news/includem-urges-the-scottish-government-to-do-more-to-address-child-poverty-now-/>

⁵ <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2020/03/working-poverty/documents/poverty-and-employment/poverty-and-employment/govscot%3Adocument/What%2Bdo%2Bwe%2Bknow%2Babout%2Bin-work%2Bpoverty%2Bin%2BScotland%2B2019%2Binterim%2Bfindings.pdf>

Food

To our collective shame, food insecurity in Scotland has become increasingly prevalent, with foodbank usage more than tripling in Scotland in the last 6 years.⁶ The pandemic has ushered in an additional surge in usage, with food poverty figures from the Independent Food Aid Network showing a 108% rise in the number of emergency food parcels distributed in July 2020 compared to the same month last year. 70 independent food banks across 20 local authorities in Scotland distributed at least 182,863 emergency food parcels between February and July 2020.⁷

Our findings show that a shocking 49% of families struggle to put food on the table on a regular basis. This is particularly pronounced for our families that rely on social security, 60% of which report struggling to pay for food 'about half the time', 'usually' or 'always'.

Includem believes access to food should be considered a fundamental human right and welcomes the Proposed Right to Food (Scotland) Bill to enshrine the right to food in Scots Law.⁸ In our consultation response to this proposed bill, we highlighted that to truly achieve the right to food for all people in Scotland, influence and change is needed across multiple government directorates and Scottish industries. This will require both co-ordination and authority to impose actions.

When asked what they would like to see changed, one family said:

"Spare money that you can do things with. So, you're not constantly worrying about where the next bit of money is coming from. At the beginning of the lockdown I got shopping vouchers to go into Aldi with and that was an absolute godsend. It's all right saying go to a food bank but there nothing there the kids will eat because it's all tinned food."

Families need and deserve a right to food and a right to accessing it in a way which respects their choices and cultural needs. For too many, this is not currently the reality.

Transport

Where social security is the primary income source, 63% of families struggle to cover transport costs.

One of our staff wanted to see *"better access to public transport at this time [as] the prices can be high, and the frequency is not at its normal rate. This is affecting their decisions around work and attending appointments. It also effects their choice on where and how to do shopping which can further affect them economically."*

Half of our families regularly struggle to cover transport costs, which has a subsequent effect on access to affordable food, and limits choice.

⁶ <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/#total>

⁷ ^[1] <https://www.sustainweb.org/news/sep20-scotland-food-bank-use-doubles-in-covid/>

⁸ <https://www.parliament.scot/parliamentarybusiness/Bills/115201.aspx>

As noted by the Poverty and Inequality Commission, high transport costs can contribute to entrenched poverty: 'Good, affordable transport can enable people to access jobs, education and training. This can contribute to raising household income and preventing people from experiencing poverty or enabling people to move out of poverty (Crisp et al, 2018; Titheridge et al, 2018). On the other hand, poor access to transport can lock people into poverty by limiting access to these opportunities to increase income'.⁹

One family noted that transport costs have become a particular challenge in the context of COVID-19, due to the associated health risks in taking public transport:

"I have to pay for taxis as I'm nervous on public transport so it's either I feel more isolated or I have to make the decision to shop less [so] I don't pay for a taxi."

Heating Costs

When asked about their main hope for change, one family we spoke to powerfully stated: "*Never having to worry about whether we could afford food, heating or electricity without having to sacrifice on other things.*"

Young people and families consistently noted they struggle to meet essential costs, and in turn may have to make devastating decisions on whether to heat their home, put food on the table, or equip their children with back to school equipment. With families facing choices such as this, it is little wonder that there is a poverty related attainment gap.

Over half of all families and two-thirds of families receiving social security reported regular issues paying for heating ('about half the time' 'usually' or 'always').

In Scotland, there have been recent legislative changes to tackle fuel poverty, with The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act passed by the Scottish Parliament in June 2019. Targets outlined in the act include:

- No more than 5% of households should be in fuel poverty;
- No more than 1% of households should be in extreme fuel poverty; and
- The median fuel poverty gap of households in fuel poverty is no more than £250 in 2015 prices before adding inflation.

Each of these 2040 targets must be achieved not only in Scotland as a whole, but also within each of the 32 local authority areas.¹⁰ However, for such long-term targets, we believe they lack ambition. We should be striving, as a progressive and compassionate country, to ensure that no one in Scotland is living in fuel poverty. We have seen first-hand the devastating effects it has on children's welfare.

⁹ <https://povertyinequality.scot/wp-content/uploads/2019/06/Transport-and-Poverty-in-Scotland-Report-of-the-Poverty-and-Inequality-Commission.pdf>

¹⁰ <https://www.gov.scot/policies/home-energy-and-fuel-poverty/fuel-poverty/>

Housing

Housing is another key area where families are regularly struggling to meet costs. **For a third of families we surveyed, paying rent is a regular issue.**

Not only are families struggling to meet housing costs, one family told us they are also living in in an overcrowded house but are unable to move because of the COVID-19 restrictions. Other families have told us that they are unable to move away from overcrowded accommodation into something more suitable due to rent arrears or there being no appropriate housing in their area of choice.

Includem is calling on the Scottish Government to improve provision and ensure more accessible and affordable housing of a size and in areas that families want. We have seen too many children experiencing multiple school moves due to preventable changes in their housing. This can further widen the poverty related attainment gap.¹¹

Digital Access

Almost half of families surveyed (47%) report regular issues in affording the costs associated with accessing the internet. For families receiving social security, lack of access is a particularly sharp issue – 58% report regularly struggling to pay for internet costs.

We know that issues of digital exclusion run even deeper than simply not having access to equipment or being able to afford to connect; families have reported struggling with back to school costs including equipment and uniforms.

One family told us that, because they did not have digital skills or awareness, they were unable to see their GP. A holistic approach of support is required that considers training to use equipment, protection from exploitation and ensuring internet safety, and clarity over financial liability should digital equipment get damaged. Families are hesitant to use equipment for fear of the costs of potential damages.

Digital access is fundamentally a rights-based issue. Includem's 'Staying Connected' report noted that to exert and protect their rights it is imperative that children, young people, and families are able to participate in decisions that affect them. Families tell us that they already feel disempowered and their voices are often not heard in formal meetings and decision-making forums. This will only increase if they do not have access to devices and data that supports their participation.¹²

We believe that digital inclusion should be a right and not a privilege and reiterate calls for broadband to be economically accessible for all.¹³

¹¹ <https://www.includem.org/news/news/includem-urges-the-scottish-government-to-do-more-to-address-child-poverty-now-/>

¹² <https://www.includem.org/resources/staying-connected-includem-digital-inclusion-report-may-2020.pdf>

¹³ <https://www.includem.org/resources/staying-connected-includem-digital-inclusion-report-may-2020.pdf>

Mental Health

The financial strain on families during the pandemic has in turn deepened the crisis of mental ill-health. **Of those reliant on social security, a staggering 82% reported a negative impact on their mental health.** Significant and far-reaching structural changes are required to our social security system to lift our families out of entrenched poverty, and to improve mental health.

In the context of increasingly precarious employment, low wages, and the volatility of the labour market now further exacerbated by the coronavirus pandemic, it is perhaps unsurprising – albeit devastating – that families, regardless of income source, are battling poor mental health. **73% of surveyed families reported that their mental health was worse than it had been pre-pandemic.**

The links between poverty and mental health are well documented: ‘Poverty increases the risk of mental health problems and can be both a causal factor and a consequence of mental ill health. Mental health is shaped by the wide-ranging characteristics (including inequalities) of the social, economic and physical environments in which people live.’¹⁴

Compounding the financial stress of poverty are restrictions that have been implemented to halt the spread of COVID-19. One family notes the lack of clarity on rules is impacting their mental health: *“Covid rules changing confuses me and struggle with this mentally.”*

When asked about their primary concerns, families wanted to see more support for their children – including specific calls for more support in helping their children deal with mental health issues.

The impact of COVID-19

Underpinning the key issues faced by families is the impact of the COVID-19 pandemic on overall finance and debt levels. **Half of the young people and families we spoke to were in a worse financial position than they were pre-pandemic.**

One family noted they would want their financial situation to change – citing the impact that financial strain has had on their mental health during the pandemic: *“Finances as my payment was cut right before lockdown happened and this had a huge impact on my mental health and stress.”*

Of further concern is increased debt. **Half of families reliant on social security told us their debt had worsened during the pandemic.**

While families have told us that they have benefitted from short-term cash injections from initiatives such as our Young Person’s fund¹⁵ and the Wellbeing Fund¹⁶ we need greater action at a governmental level to improve the financial outlook for our families so that they can plan their

¹⁴ <https://www.mentalhealth.org.uk/sites/default/files/Poverty%20and%20Mental%20Health.pdf>

¹⁵ <https://www.includem.org/donate/>

¹⁶ <https://scvo.org.uk/support/coronavirus/funding/scottish-government/wellbeing-fund>

finances long-term, without having to worry about how to pay the bills.

When asked what they wanted to see changed, one family noted they wanted greater job security and pay: “More financial support minimum wage hours cut no stability.” Other families wanted “financial support from the benefits agency”; “I would like to see more benefits” and “benefits being simpler – 10 weeks with no income!”

We need an economy centred on the well-being and needs of children, young people, and families - where their voices are at the heart of policy development and service delivery.

The perspective of Includem staff

We also asked our staff what they thought about families’ experience of poverty and the impact of COVID-19. Their views mirror that expressed directly by families themselves: that paying for food and heating was particularly difficult.

Interestingly, our staff’s perception of families’ financial situations was worse than that of the families themselves. This could be for several reasons:

- the stigma of poverty causes families to underreport the issue;
- the fear of increased statutory intervention should they disclose the true state of their finances, mental health and overall situation;
- a normalisation of their situation due to the overall experience of poverty in their local area results in them not viewing themselves as being in poverty.

Our staff told us how they would like things to change financially for families:

“Families to have access to basic necessities without having to prioritise one over the other.”

“For the young people to have more than just the bare essentials so they don’t feel self-conscious amongst their peers.”

“That the families could be supported more financially to make life more comfortable and reduce the amount of worrying.”

Another prominent concern were frustrations with the benefits system:

“Application time for universal credit during COVID, some families went from being employed to state benefits, this saw them wait over 7 weeks in some cases which impacted on overall debt.”

“Easier access to benefits, especially when young people have moved from care of parents/kinship into alternative care but no funding can be given to the new care provider due to finances continuing to go to parent/kinship carer.”

About the impact of digital exclusion, one staff member said they would like to see *“Free internet and better access to devices such as laptops. With the library's being closed this cut off access to a lot of families who don't have computers or internet.”*

Recommendations

It is clear from what families are telling us that things need to change to improve their financial and mental wellbeing. Includem would like to see the Scottish Government act on the voices and experiences of these often marginalised and unheard families. We therefore recommend that:

- **All children and young people to have access to healthy and nutritious food at all times.** No family should have to worry about where their next meal is coming from or the impact on finances through the loss of access to free school meals in holidays or in another period of lockdown.
- **Digital inclusion should be seen as a right and not a privilege.** This is more than just providing devices or access to the internet. Families need to know that they can pay to charge them, repair them, or replace them. They need support to be confident in their safe use and to ensure they are protected from exploitation whether that be through scams, grooming or any other digital harm. With young people expected to access schools and services via digital means, access to the internet should be viewed as a basic human right.
- **An income that is sufficient to ensure no family has to choose between heating and eating.** They should be able to meet all basic needs. The benefits system needs to be easier to access, it should be clearer what everyone's entitlement is, and sanctions and caps should not push families further into debt.
- **A government grant to meet housing costs for families at risk of eviction due to rent arrears and overall levels of debt.** The current exemption on eviction for rent arrears is only delaying what feels like the inevitable for our families. They are in not in a position to reduce their debt in the current circumstances and for many their level of rent arrears is increasing. The introduction of a Tenants Hardship Loan only moves the debt around – it does not improve the financial situation of our families who daily have to choose what basic needs they will not be able to provide for their children.
- **More affordable public transport, with a long-term plan for free public transport across Scotland.** We agree with the Poverty and Inequality Commission's recommendation that the Scottish Government and Transport Scotland should 'adopt a rights-based approach to transport that recognises access to suitable transport, no matter your level of income or where in Scotland you live'¹⁷. We would like to see more immediate action to make public transport more affordable, with a long-term plan to make public transport free at the point

¹⁷ <https://povertyinequality.scot/wp-content/uploads/2019/06/Transport-and-Poverty-in-Scotland-Report-of-the-Poverty-and-Inequality-Commission.pdf>

of use for all – so our families can readily access employment, appointments, and a greater range of choice to purchase food and other essentials.

- **The Scottish Child Payment is needed now.** Particularly for single parent families and families with teenagers. Families with teenagers are not expected to benefit from the Scottish Child Payment until 2022. With the average cost of raising a teenager coming in at over £400 a month, families with teenagers cannot wait another two years for support. Given what families have told us about their worsening financial situation, we believe that £10 per child per week is not enough. We want the government to engage with families to identify how much more they need to lift them out of poverty and give them financial independence.

Conclusion

No one should ever have to struggle to pay for the essential costs, to have to choose between heating or eating, yet our findings show that sadly this is the reality for many of the families we support.

In answer to the question, 'If you could choose one thing you would like to see change to make your lives better what would it be?', one family told us *"never having to worry about whether we could afford food, heating or electricity without having to sacrifice on other things."*

Families have told us how poverty is affecting their mental health, how they struggle to afford internet access and transport costs. Social security payments are too low, wages are often insufficient, and the cost of living is too high. Many families are trapped in entrenched poverty, and the pandemic has exacerbated financial stress and caused increased debt. Coronavirus has shone a spotlight on the blight of poverty in Scotland.

The findings in this research illustrate the scale of the task we have ahead, collectively, as a country. The voices of these families are crucial to achieving change, yet all too often go unheard. They are not connected. In fact, there are many physical and digital barriers identified in this research that means they cannot participate.

We all have a duty to act now on what they have told us. We must be bolder in our commitments. We must talk not just of mitigation and poverty reduction, but how we can work together to eliminate poverty entirely. Scotland's families deserve nothing less.

Includem would like to thank Dr Briege Nugent for her leadership in designing this study and for her thorough analysis of the results.