

Child Poverty Action Group Scotland

The Importance of Social Security

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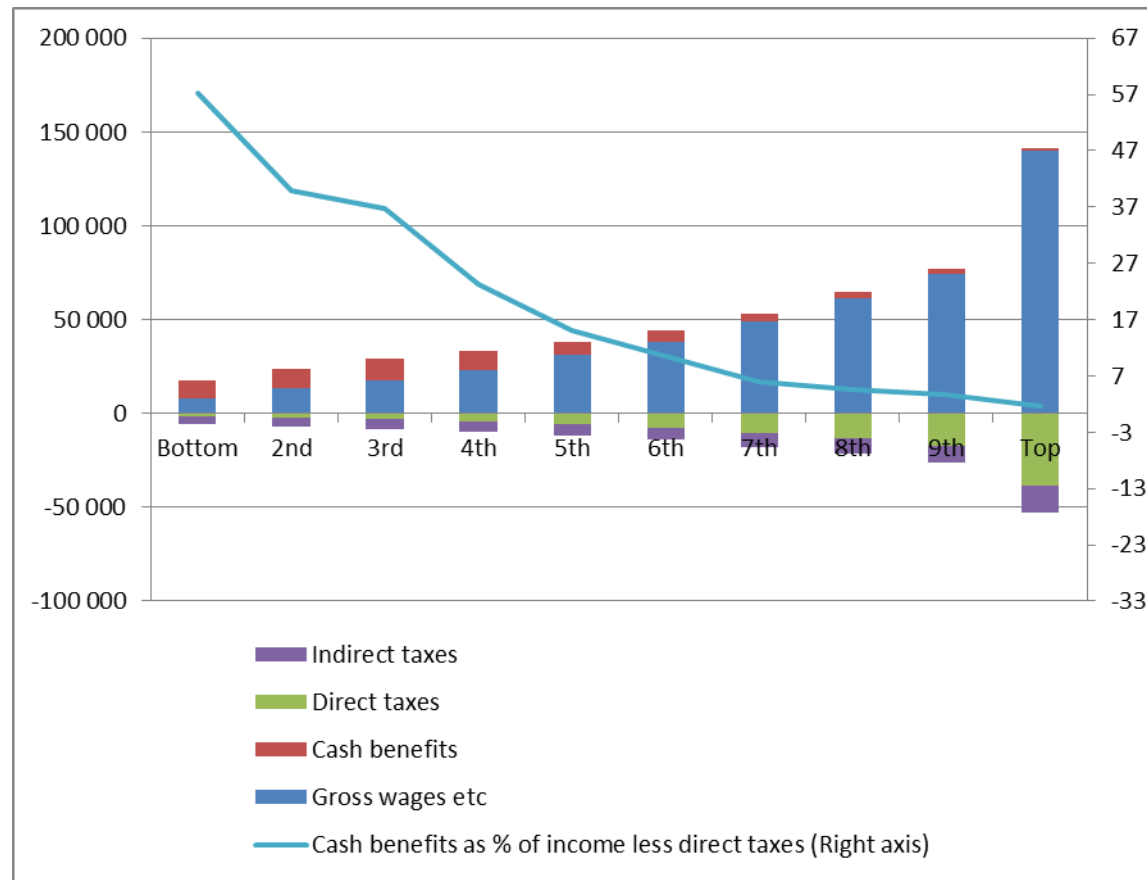
Glasgow

19 May 2017

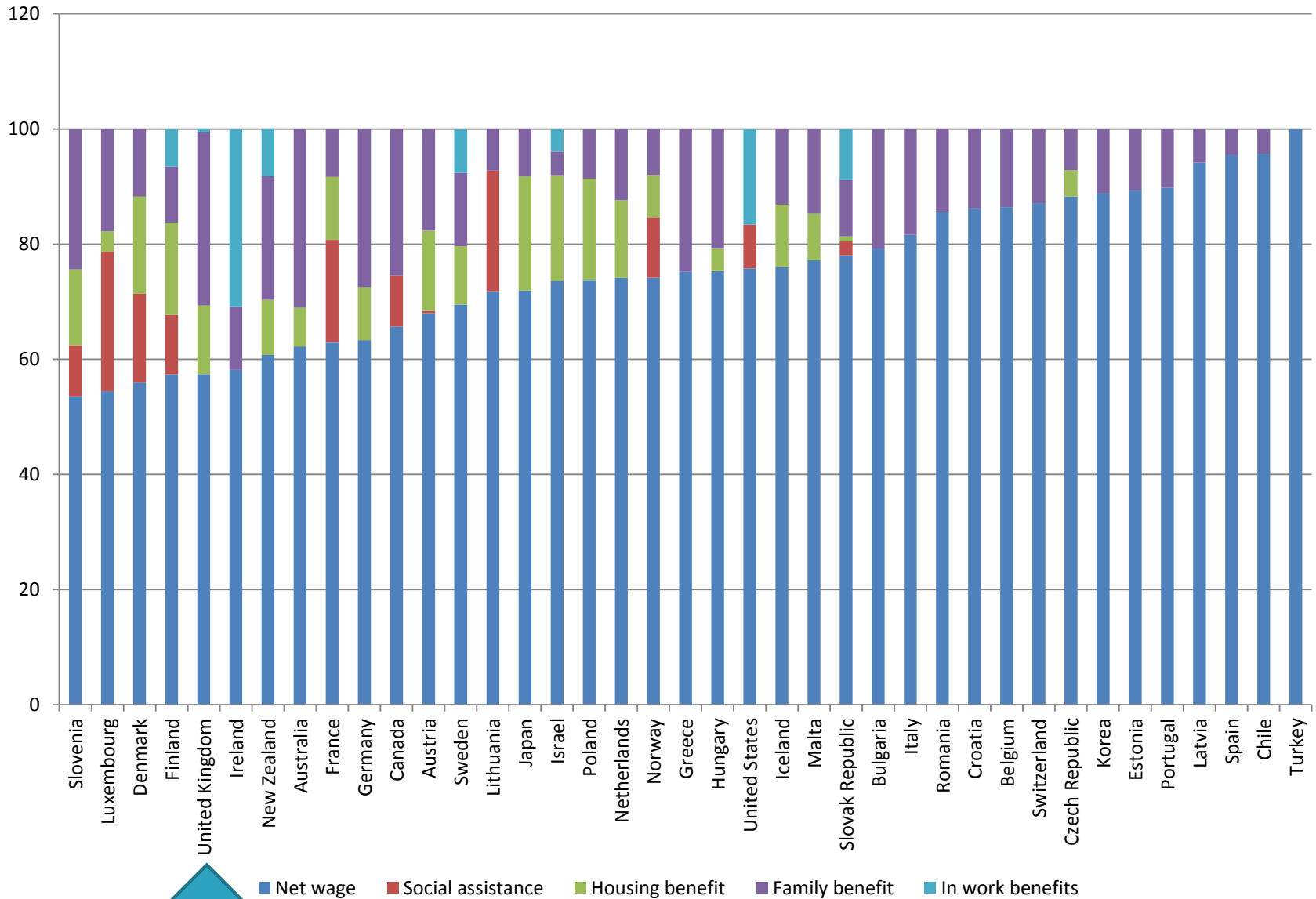
Argument

- ◆ Tory Government mantra “Work is a way out of poverty”
- ◆ Work is a way out of poverty
- ◆ But it is not enough
- ◆ For families with children, even when working full-time on the National Living Wage, social security/cash benefits are vital.
- ◆ In fact they contribute about half of net income
- ◆ They are being cut: frozen, benefit cap, two child limit, rent limits, other cuts to UC
- ◆ That is why 68% of Scottish children in poverty (AHC) have someone in employment

ONS (2017) Average incomes, taxes and benefits by decile groups of NON-RETIRED households WITH CHILDREN, 2015/16 UK



Contribution of wages and benefits to net disposable income couple plus 2 one earner 50% average earnings 2014 OECD Tax Ben

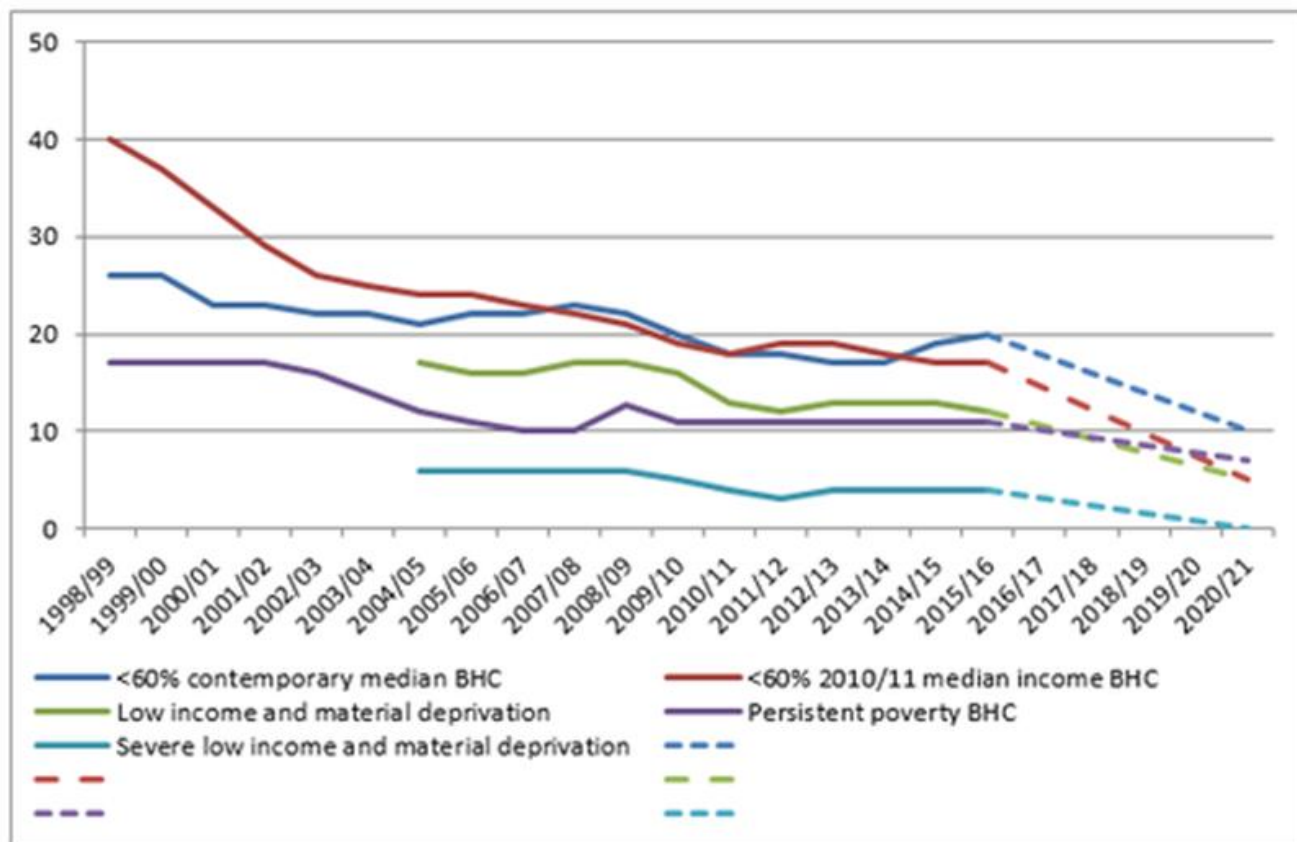


Scotland child poverty rates by working status of parents 2015/16

Source: Own analysis DWP (2017) Households below average income

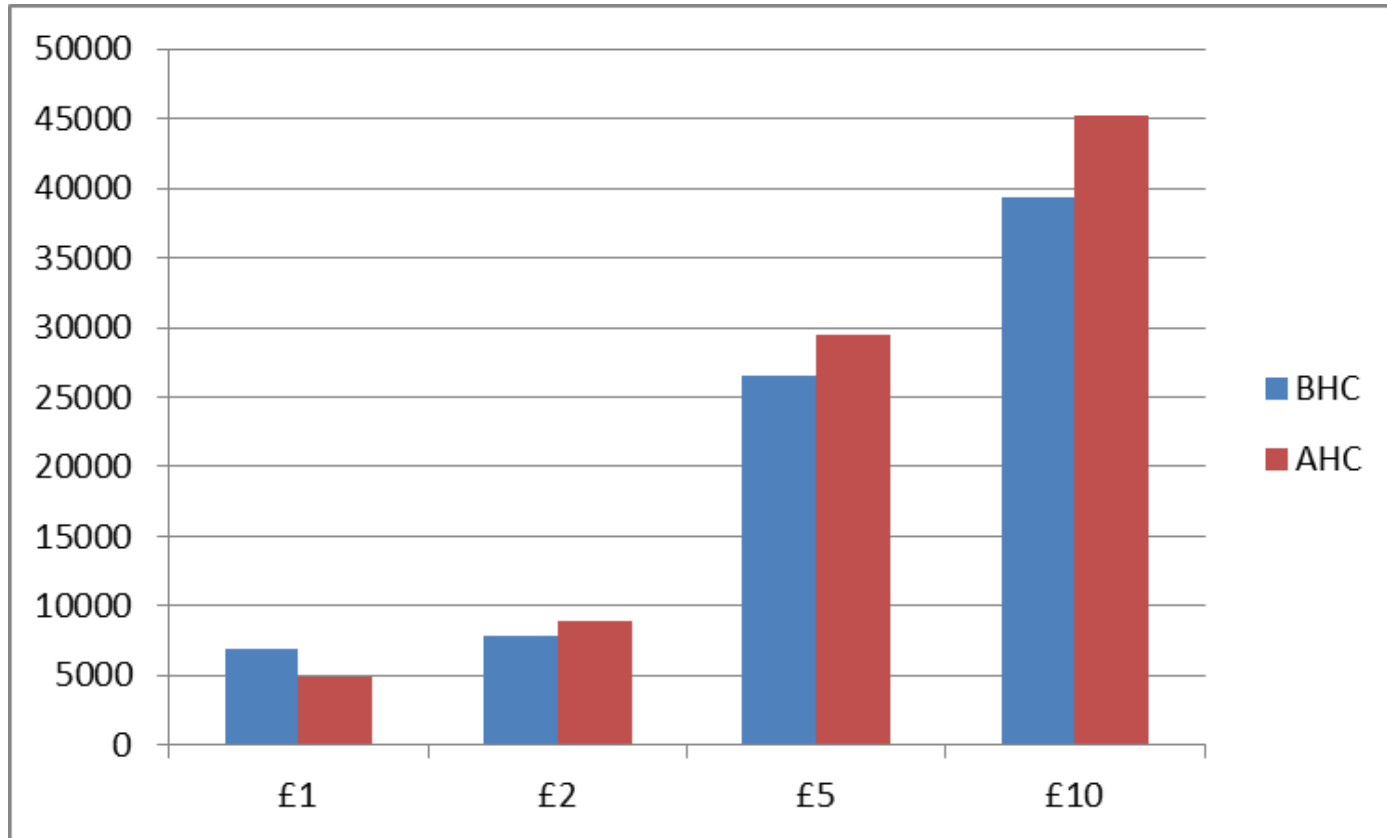
	Before housing costs (BHC)	After housing costs (AHC)
All lone parents	30	44
All couples with children	15	21
Lone parent working full-time	14	28
Couples with children both working full-time	9	12
Couples with children one parent in full-time work	25	36

Trends in the Child Poverty Act targets UK



Impact of child benefit increase on number of children in poverty in Scotland £ per week per child

Source: Own analysis of HBAI 2015/16



Conclusion

- ◆ Increases in the minimum wage is welcomed
- ◆ But for families with children it is undermined by freezes and cuts to social security benefits for working age families
- ◆ The [Institute for Fiscal Studies](#) expects UK relative child poverty to increase from 19% in 2014/15 to 27% in 2021/22 before housing costs and from 29% to 36% after housing costs.
- ◆ Scotland **must** use its devolved powers to increase child benefits and continue to set an example to the rest of the UK