



The Cost of a Child in Scotland in 2024

December 2024

Summary

CPAG's annual Cost of a Child report looks at how much it costs families to provide a minimum socially acceptable standard of living for their children. It is calculated using the Minimum Income Standard (MIS) research, carried out by the Centre for Research in Social Policy at Loughborough University for the Joseph Rowntree Foundation.

- The cost of raising a child to age 18 is £260,000 for a couple and £290,000 for a lone parent.
- An inadequate UK-wide social security system means that both in-work and out-of-work families are further away from reaching a decent standard of living than at any point since this research began.
- Scotland-specific policies (most notably the Scottish child payment) help families, but still many are struggling to meet their minimum costs.
- An out-of-work couple with two children has less than half the income required (48 per cent) to meet the cost of a minimum acceptable standard of living. Those elsewhere in the UK face an even wider gap, with income covering only 39 per cent of the costs. A lone parent with two children in Scotland has just over half the income required (55 per cent), compared to just 44 per cent elsewhere in the UK.
- It is not just out-of-work families who are struggling. A lone parent working full time on the minimum wage with two children can only cover 79 per cent of the cost of a child, while a similar couple can only cover 90 per cent. This compares to 69 per cent and 82 per cent respectively elsewhere in the UK.
- For families in work, the shortfall is particularly stark for larger families. For a lone parent on the minimum wage with three children, the share covered falls to 58 per cent (73 per cent for a couple on the minimum wage with three children). This compares to 45 per cent and 63 per cent respectively elsewhere in the UK.
- The shortfalls for in-work families outlined above highlight how work, on its own, is not sufficient to enable families to reach a decent standard of living, and social security plays a crucial role.
- Costs are higher for those living in more remote areas, in particular for transport and social and cultural participation.

Recommendations

1. **Scrap the two-child limit immediately** – this debilitating UK government policy means larger families are at much greater risk of living in poverty, and are particularly far away from reaching a minimum standard of living. It must be scrapped at source. However, given Scotland’s legal duties on child poverty, the Scottish government must demonstrate preparedness to mitigate the policy in the event of failure at UK level – as it has rightly done in the case of the bedroom tax and benefit cap. Additional targeted payments of Scottish child payment would be the most effective way to achieve this. CPAG analysis estimates mitigating the two-child limit in Scotland could lift around 15,000 children out of poverty at a cost of around £100 million.
2. **Abolish the benefit cap** – the UK-wide benefit cap limits the amount of benefits an out-of-work family (or a family working a low number of hours) can receive, pushing families into deep poverty. Abolishing the cap would ensure families unable to work are closer to meeting a minimum standard of living. The Scottish government currently mitigates the benefit cap, but if it was removed at the UK level, the Scottish government could spend this money elsewhere.
3. **Invest in children’s benefits** – this will help families cover more of the costs of raising children, and is the best way to tackle child poverty.
 - o The Scottish government should **increase the value of the Scottish child payment** as the most direct and effective method of getting money into the pockets of low-income families and accelerating progress on child poverty. CPAG analysis suggests that increasing the payment from £26.70 to £30 per week from April 2025 would lift an additional 5,000 children out of poverty at a cost of only £50 million. It would also reduce the depth of poverty for many more and strengthen the protective buffer for families living just above the poverty line. A further increase to £40 in April 2026 would mean an overall reduction in child poverty of 15,000 at a cost of £200 million.
 - o The UK government **should increase child benefit by £20 a week**. This would support a wide range of families, including those just above the threshold for means-tested benefits, to have a higher standard of living.
4. **Extend universal free school meals to all Primary 6 and Primary 7 pupils** – it is disappointing that the commitment that all Scottish primary school pupils would be entitled to a free school lunch by August 2022 has still not been delivered. This is an effective way to further reduce the gap between income and costs that families face.

Introduction

CPAG’s annual Cost of a Child report looks at how much it costs families to provide a minimum socially acceptable standard of living for their children. Since 2012, this report series has systematically monitored the minimum cost of a child across the UK, and since 2022, a Scotland-specific report has been written. This summary provides the latest calculations for 2024 and outlines the factors affecting the figures.

To estimate the overall cost of bringing up a child in the UK today, the report draws upon the Minimum Income Standard (MIS) research, carried out by the Centre for Research in Social Policy at Loughborough University for the Joseph Rowntree Foundation.¹ MIS is based on public consensus about what is needed for a minimum socially acceptable standard of living in urban UK, outside London. This minimum living standard is one that provides for material needs, and enables participation in society.

¹ A Davis and others, *A Minimum Income Standard for the United Kingdom in 2024*, Joseph Rowntree Foundation, 2024

The cost of an individual child is calculated not just by considering the cost of all the goods and services that a child needs, but as the difference that the presence of that child makes to the whole family's budget. These calculations are made for different children according to their birth order, in each year of their childhood, and are added up to produce a total cost from birth to age 18.

There are some important things to note about these calculations. Firstly, the costs are what the public deems a minimum acceptable standard of living. This is far higher than destitution, is higher than the current relative poverty line, but should still be seen as just a minimum. A family that can just cover 100 per cent of costs should not be seen as well-off: they have just enough for a minimum acceptable standard of living.

Secondly, the costs shown are the same as the UK-wide costs (apart from the remote Scotland geographies table) – this is in order to better compare the income and share of costs covered for different family types in Scotland compared to the rest of the UK. The hypothetical families live in social housing in an average housing costs area and, when working, work full time with formal wrap-around childcare. Costs may be higher in parts of Scotland such as Edinburgh (though lower in others), and will be higher still if families are in private rented housing.

Thirdly, for many in-work families the share of costs covered will be even lower as parents face substantial barriers to work (availability of jobs, availability of childcare, transport costs, childcare costs, inflexible hours) meaning they are more likely to work part time than other groups. There are also other factors (eg, disabilities) that will impact on the ability of the family to work and the income they receive. There is not enough space in this report to precisely measure every possible family situation, although the broad trends will apply to all family types.

The cost of a child in 2024

The scorecard below shows the total cost of raising a child to age 18, and how that compares to the income received by families with two children and different work circumstances. It shows that the cost of a child is nearly £260,000 for a couple and more than £290,000 for a lone parent.

Scorecard: The Cost of a Child in Scotland in 2024

A. The additional cost of bringing up a child in 2024 (Minimum cost, averaged for first and second child)		
	Couple	Lone parent
1. Basic cost over 18 years	£165,872	£186,822
2. Full cost over 18 years	£259,028	£290,807
B. The extent to which families have enough to cover the minimum cost of living		
	Net income as a percentage of minimum family costs – Scotland % (UK %)	
	Couple	Lone parent
3. Out of work	48% (39%)	55% (44%)
4. Working full time on the minimum wage	90% (82%)	79% (69%)
5. Working full time on the median wage	100% (99%)	81% (80%)

Note: 'Basic cost' does not include rent, childcare or council tax. 'Net income' refers to disposable income, after subtracting rent, childcare and council tax. These calculations assume eligibility for universal credit, with entitlements updated to April 2024.

The scorecard also shows that out-of-work households can only cover about half their costs (48 per cent for a couple family, 55 per cent for a lone-parent family). In-work families can cover more of their costs, but even they struggle to meet the cost of the minimum acceptable standard of living. A couple working full time on the minimum wage can cover 90 per cent of their costs, while a lone parent working full time on the minimum wage can only cover 79 per cent. A lone parent working full time on the median wage can only cover 81 per cent of their family costs, while a couple both working full time on the median wage has 100 per cent of their family costs, ie, just enough for a socially acceptable standard of living.

All I can see for the holidays this year is having to choose between eating myself and the kids having the basics. This is not living it's simply surviving. (Gracie E, June 2024)²

By comparing the main figure to the figure in brackets, we can see the impact of Scotland-specific policies on the share of costs covered. For all family types, the share of costs covered in Scotland is greater than the share covered elsewhere in the UK.³ This is particularly apparent for out-of-work families and those working full time on the minimum wage – this is because they both gain from more generous means-tested benefits such as the Scottish child payment. In-work families also gain from cheaper childcare, while everyone benefits from universal benefits such as free school meals and free bus travel.

There are so many expenses to be paid out that just can't be covered by what families are given to cover essential living costs, heating, electricity, water. Phone, internet, school uniform and school meals are just some of the things that you just can't avoid. All of this is affecting children's mental health and wellbeing, not to mention the social impact of not being able to have the same experiences as other children when it comes to the cost of school trips, books, uniforms and holiday activities. This will all have a huge impact on their future lives and make it harder for them to reach their full potential for a better future. (Erik, September 2024)

There are some basic things to note from the scorecard. Firstly, the cost of a child is higher for a lone parent than a couple. This is primarily due to economies of scale within household budgets, which benefit couple families more than single parent families. For example, the public agrees that people without children can rely on public transport as a minimum, but households with children should be able to have a car. For couple parents, the cost of a car is in part offset by saving the public transport costs of two adults; for a lone parent, the car costs the same, but they only save the public transport costs of one adult. Secondly, the share of costs covered by an out-of-work family is very low. It is higher for lone parents than couples, as the additional amount received through social security for being in a couple compared to a single adult is less than the additional costs of a second adult. Thirdly, as earnings increase, the share of costs covered increases. The increase in costs covered is greater for a couple as they have two pay checks coming in, while a lone parent only has one.

Trends over time

The UK-wide Cost of a Child calculations started in 2008. For most of that time period, the share of costs covered would have been very similar in Scotland to the rest of the UK, as devolution was limited and

² All quotes come from Changing Realities, a participatory online project working with nearly 200 parents and carers living on a low income across the UK, in partnership with the University of York and Child Poverty Action Group.

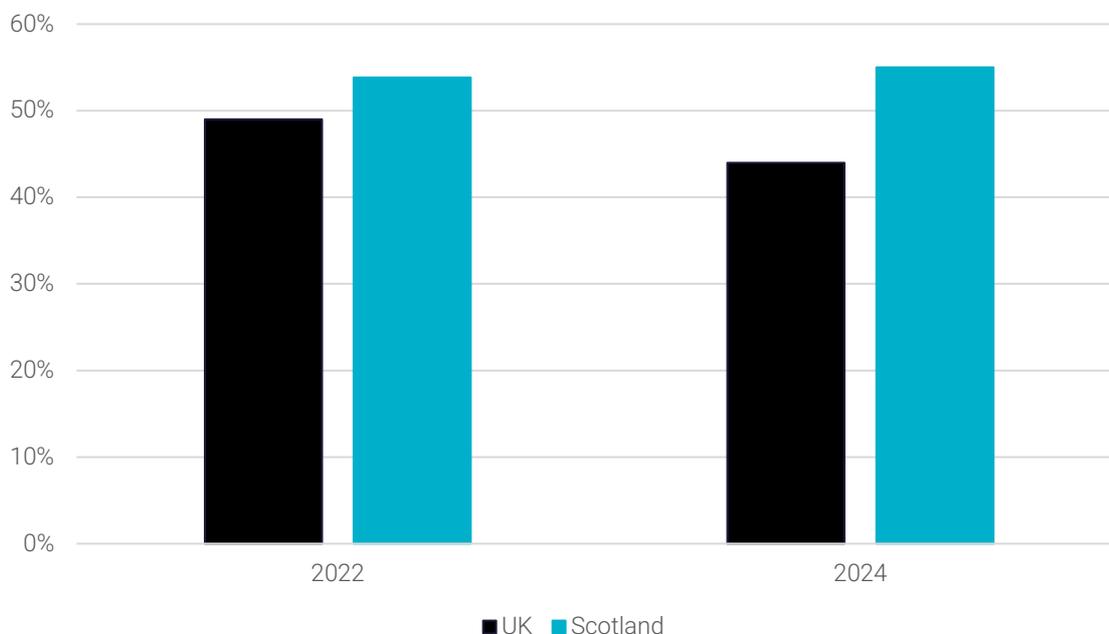
³ For more details see the Scotland-specific support section or the appendix.

therefore there was limited relevant policy difference between Scotland and the rest of the UK. For greater discussion of what happened from 2008 to 2022, see the UK-wide Cost of a Child report.⁴

I am so tired of being paid my full-time wage paying bills and childcare with not enough to scrape through to my universal credit payment to then again pay out on the remaining bills/ missed bills and the rest of the childcare, I have had enough, just to go through the same cycle next month but worse off as every month you just get a little bit further into debt... where does it end? (Roxy N, April 2024)

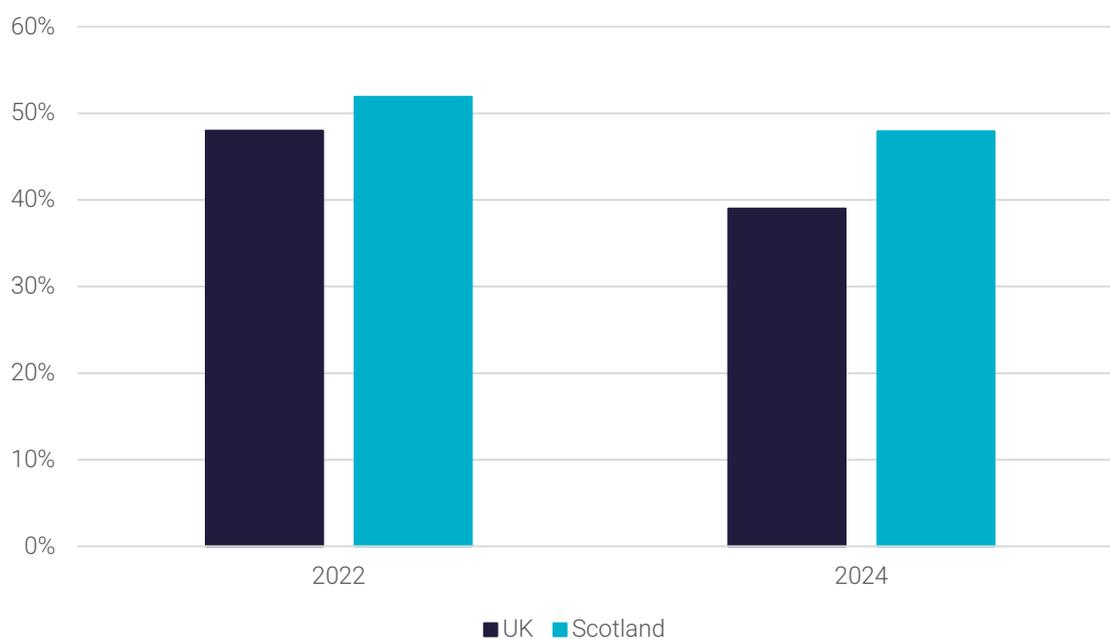
The Scottish Cost of a Child calculations started in 2022. Figures 1 and 2 show how the share of costs covered for an out-of-work lone parent and couple with two children has evolved from 2022 to 2024.

Figure 1: Share of MIS costs covered for an out-of-work lone parent with two children over time



⁴ CPAG, [The Cost of a Child in 2024](#), 2024

Figure 2: Share of MIS costs covered for an out-of-work couple with two children over time



We can see that the UK-wide trend is for a lower share of costs being covered. This is because costs have risen dramatically – not only due to high headline inflation, but also because there has been particular pressure on low-income families, as areas where they spend a greater share of their income (food, energy) saw sharp price rises higher than overall inflation.

In Scotland, this trend has to a significant extent been mitigated. In Scotland the share of costs covered for the couple family only fell from 52 per cent to 48 per cent, less than half of the fall seen across the rest of the UK. Lone parents actually saw an increase in the share of their costs covered from 54 per cent to 55 per cent. The key reason for this is an increase in the generosity of the Scottish child payment. In April 2022, it was £20 per week and only children aged 6 or under in families on universal credit (or equivalent) were eligible. But by April 2024, all children aged under 16 on universal credit (or equivalent), were eligible for a payment of £26.70 per week. This shows the real impact that increasing the adequacy of the social security system can have on family incomes. Nonetheless, it is also worth highlighting that out-of-work families in Scotland are still only able to cover half of the costs associated with a minimum standard of living. More must be done to help these families.

Larger families

So far, this report has focused on families with two children, but it is important to look at how family size affects the share of costs families can cover, particularly in the context of regressive policies like the two-child limit. Figures 3 and 4 show the share of MIS costs covered by number of children and work status for lone parents and couples.

Figure 3: Share of MIS costs covered by number of children and work status for lone parents

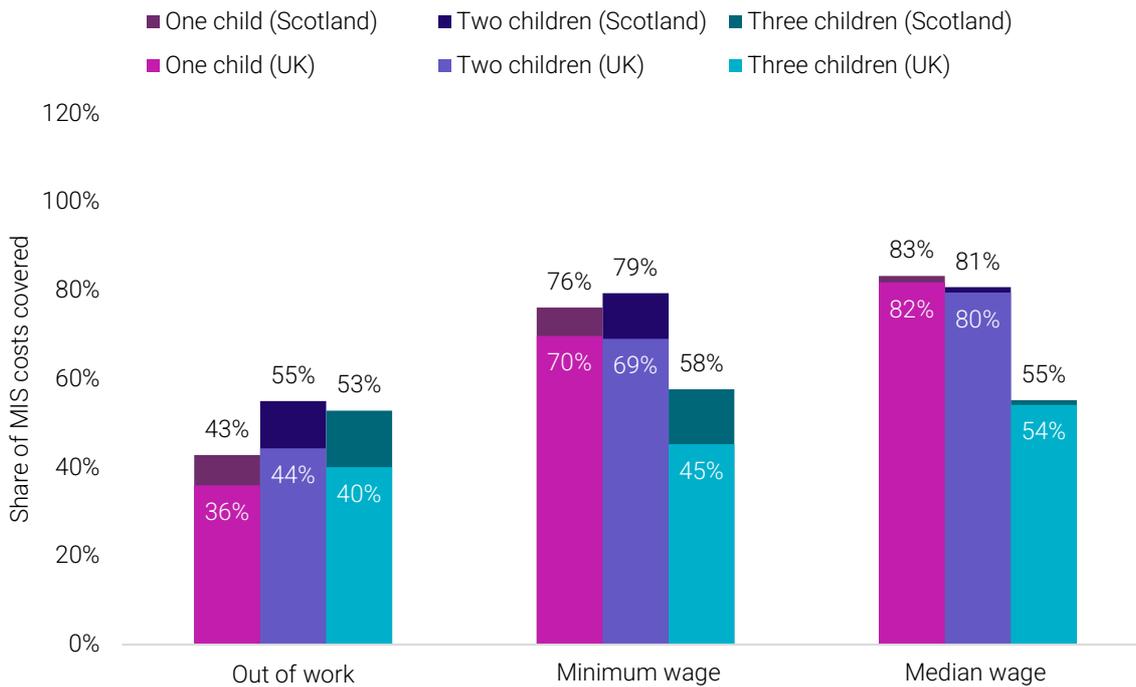
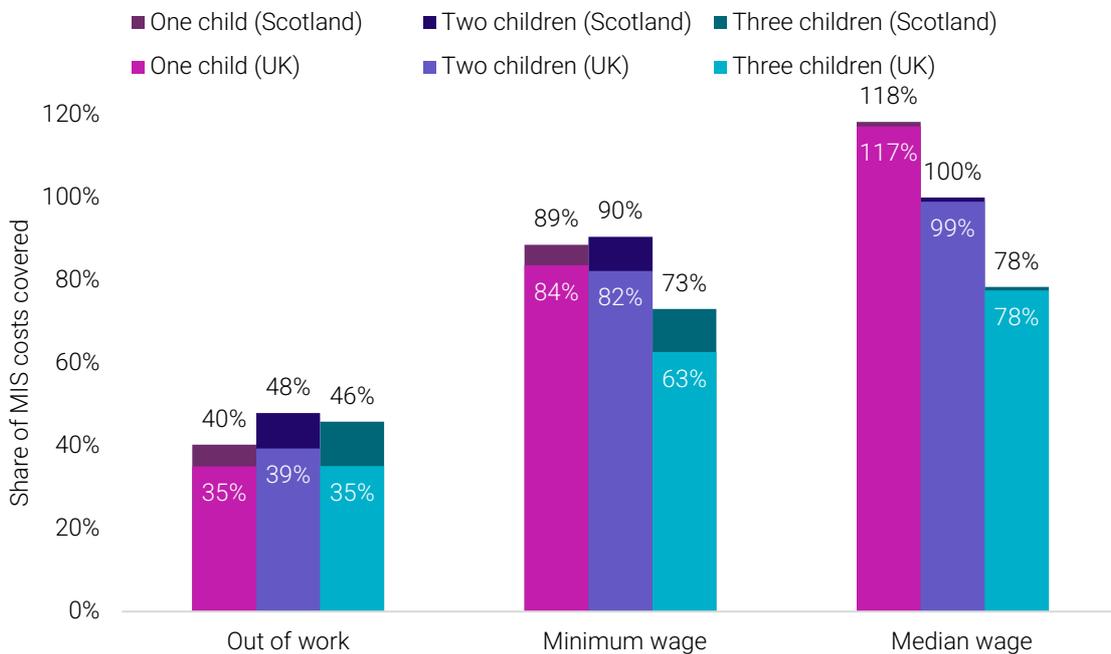


Figure 4: Share of MIS costs covered by number of children and work status for couples



We can see that for one and two children the share of costs covered by work status is similar. The big difference is the share of costs covered for three children compared to two children for in-work families. The two key drivers of this difference are the two-child limit and higher childcare costs for a pre-school children.

Scotland-specific support

This section examines how key differences in costs and financial support for families affect the cost of raising a child in Scotland, as compared to the UK as a whole. The overall cost of a child in the UK is used as a starting point, and is adjusted based on these differences.

Table 1: Breakdown of Scotland-specific support by family type

	Out-of-work	Minimum wage	Median wage
Free school meals P4-P5*	£797	£797	£797
Free bus travel	£2,836	£2,836	£2,836
Scottish child payment	£22,275	£22,275	
Best start grants**	£945	£945	
School clothing grant	£1,770		
Lower cost childcare		£1,125	£7,501
Total benefit to family	£28,623	£27,978	£11,133

Note: *Free school meals P4-P5 is the additional free school meal provision over what is present in England. Assumed gain includes those previously entitled to means-tested support, by making it easier to take up when stigma removed. **Average for first two children, net of UK's Sure Start maternity grants.

Table 1 shows the breakdown of Scotland-specific support by family type. We can see that a family eligible for the Scottish child payment (ie, eligible for universal credit; a couple both working full time on the median wage would have earnings too high to qualify for universal credit) receives nearly £30,000 per child over their childhood. The most important component is the Scottish child payment, which works out at £22,275 per child.

There are some things I am grateful for living in Scotland that I don't take for granted... my son's free school meal, bus pass and my free university and the Scottish child payment. Even think back to when my kids were born there was a best start grant and vouchers I used to take to get free formula. These things I am grateful for.
(Hope O, July 2024).

These different forms of support clearly make a big difference to low-income families in Scotland but, as the earlier figures show, many families are still struggling to meet the costs associated with a basic standard of living.

Cost variations in remote areas of Scotland

Aside from childcare and housing, household costs are broadly comparable across urban areas of the UK. However, in remote rural areas of Scotland the minimum cost of an acceptable standard of living can be substantially higher than in urban areas. Research adapting MIS to take into account the higher costs associated with living in remote rural Scotland has shown that these costs relate both to differences in

needs – such as longer travel times to work and to access facilities – and to higher costs for certain goods and services.

We also live in a semi-rural town, and the buses here are expensive and do not run regularly. If we miss a bus, it's over an hour until the next one, so we have to plan our activities strictly so that we can make it and get home at a reasonable time. The roads are not very well pedestrianised either, so walking down the street feels dangerous – the only activities which are low priced or free are over a 45 min walk away. I feel trapped by the fact I can't drive and don't own a car – my life would be much easier with one, but driving lessons cost over £44p/hour. (Mollie U, April 2024)

Table 2: Minimum weekly budgets for different geographies for a couple with two children

	Urban UK	Remote Scotland, mainland	Scottish Islands
Food	£198.95	£207.10	£225.04
Clothing	£49.43	£54.68	£55.74
Household goods	£38.61	£41.10	£43.59
Personal good and services	£112.20	£107.71	£114.44
Transport	£122.07	£177.65	£147.88
Social and cultural participation	£167.58	£182.54	£197.50
Total budget	£688.83	£770.79	£784.19
Addition for these items		£81.95	£95.36

Table 2 shows the minimum weekly budgets for different geographies for a couple with two children. We can see that costs are higher for families living in more remote areas of Scotland. The main areas of higher costs are transport, and social and cultural participation.

Conclusion

Across the UK the gap between family incomes and the cost of raising a child to a socially acceptable minimum standard has widened, largely as a result of costs outstripping earnings and the ongoing impact of UK social security cuts. In Scotland, the gap continues to be significantly narrower than the UK as a whole because of Scottish policy interventions, in particular the Scottish child payment, and lower childcare costs.

It is clear more action is needed to ensure families have the income needed to meet the costs of a child. Furthermore, the analysis is clear that work by itself is not the answer – the in-work households in the calculations are working full time and are still unable to cover the costs associated with a minimum standard of living. There needs to be investment in social security at both Scotland and UK level to help families cover more of their minimum costs.

The UK government must scrap the two-child limit, as it is larger families who are particularly far away from reaching a minimum standard of living. The Scottish government must demonstrate preparedness

to mitigate the policy in the event of failure at UK level – as it has rightly done in the case of the bedroom tax and benefit cap. If the benefit cap was removed at the UK level, the Scottish government could spend this money elsewhere.

Children’s benefits need to be invested in. This will help families cover more of the costs of raising children, and this investment is the best way to tackle child poverty. The Scottish government should increase the value of the Scottish child payment as the most direct and effective method of getting money into the pockets of low-income families and accelerating progress on child poverty. CPAG analysis suggests increasing the payment from £26.70 to £30 per week from April 2025 would lift an additional 5,000 children out of poverty at a cost of only £50 million. It would also reduce the depth of poverty for many more and strengthen the protective buffer for families living just above the poverty line. A further increase to £40 in April 2026 would mean an overall reduction in child poverty of 15,000 at a cost of £200 million. The UK government should increase child benefit by £20 a week. This would support a wide range of families, including those just above the threshold for means-tested benefits, to have a higher standard of living.

The Scottish government must also extend universal free school meals to all Primary 6 and Primary 7 pupils – it is disappointing that the commitment that all Scottish primary school pupils would be entitled to a free school lunch by August 2022 has still not been delivered. This is an effective way to further reduce the gap between income and costs that families face.

About the calculations

All calculations in this report were carried out by Dr Juliet Stone at the Centre for Research in Social Policy (CRSP), an independent research centre based in the School of Social Sciences at Loughborough University. Over the past 40 years, it has built a national and international reputation for high quality applied policy research. The Centre’s biggest role at present is the researching and analysis of A Minimum Income Standard for the United Kingdom. Funded by the Joseph Rowntree Foundation, this is the leading standard of its kind in the UK, where it is being used to set the living wage, and is being replicated in other countries seeking to establish benchmarks for acceptable household income levels rooted in social consensus. lboro.ac.uk/research/crsp

About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn’t have to be like this. We use our understanding of what causes poverty and the impact it has on children’s lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families’ rights. Child Poverty Action Group is a registered charity in England and Wales (294841) and Scotland (SC039339). cpag.org.uk

Appendix: Details on Scotland-specific support

This section details what the Scottish government provides, over and above what is available for parents across the UK. This support combines measures that are provided universally, and additional means-tested support for working and non-working families on lower incomes.

The first of the universal measures, introduced in January 2022, is the provision of free school meals for all children in primary school up to P5 (Year 4 in England and Wales), when children are aged 8 or 9 years old. Children in Scotland had previously been offered free school lunches only up to P3 (the first three years of primary school), as is still the case in England.

During the MIS research, parents agreed that, as a minimum, it was acceptable for children to have a packed lunch at school. In calculating the saving provided by having access to universal free school lunches, we therefore assume that this will offset the cost of packed lunches for the duration of P4 and P5. Over two years, we estimate that this will save families in Scotland £797 per child. Plans to extend the provision of free school lunches in Scotland up to P7 (ages 9-11) have not yet come to fruition, so are excluded from the calculations in this year's report.

The second universal measure unique to Scotland compared to the rest of the UK is the introduction, in January 2022, of free bus travel to everyone aged up to 21. Although the MIS basket of goods and services for households with children includes a second-hand car, people agreed that there was a need for older children to be able to travel independently, including in some cases to get to school. This works out as a saving of more than £2,836 in the lifetime cost of a child for families in Scotland, compared to the UK as a whole.

There are also a number of means-tested benefits available to families on lower incomes in Scotland. The most substantial of these is the Scottish child payment, available to all families receiving universal credit and certain legacy benefits. The payment was first introduced in 2019 for children under the age of 6 at a rate of £10 per week, rising to £20 a week in April 2021. In November 2022, the payment was extended to include all children under 16 years old and was increased to £25 per child. In April 2024 it was uprated to £26.70 per week. For eligible families, this amounts to more than £20,000 per child from birth to age 16.

Alongside the Scottish child payment, families receiving relevant benefits can apply to receive three 'best start grant' payments between the child's birth and starting school. The first payment is worth £755 for the first child, and £377 for subsequent children. There are then two additional payments of £314 each at ages 3 and 5 for every child. In contrast, parents in the rest of the UK receive only one payment of £500, and only for their first child, via the Sure Start maternity grant. Therefore, a family with two children receives a total of £2,388 in Scotland (an average of £1,195 per child), but only £500 in the rest of the UK. This amounts to additional support of around £1,888, or £945 per child, in Scotland.

The final additional benefit for low-income families in Scotland that we consider here is the school clothing grant. The grant provides at least £120 a year to primary and £150 to secondary school pupils to help with the cost of school uniforms. Eligibility for this is more restricted than for the other means-tested support: it is only available to parents who are out of work, or who are working but on a very low income – those receiving universal credit must earn no more than £726 per month to be eligible for the grant. However, for those who receive the grant, it provides families with an additional £1,770.

For parents in paid work, childcare accounts for a substantial proportion of the costs associated with having a young child. This has become even more pronounced during the past few years as the cost of childcare has risen rapidly. As noted previously, the absolute cost of childcare varies substantially geographically, but the rate of change in prices also differs.