

# CAUSES AND EFFECTS OF POVERTY

## What is poverty?

The most simple definition is that you don't have enough money to meet your most basic needs – the costs of your home, fuel for heat, food and water.

### **A more in-depth version is below:**

People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for older people and their access to fundamental rights may be restricted.

## What are the main causes of poverty?

The past 20 years have witnessed significant changes in poverty levels throughout Scotland.

Almost one in five people in Scotland are now living in Poverty and for children the situation is worse with one in four now living in Poverty.

## What causes poverty?

We know that there are a huge number of causes of poverty, many of which are out of the hands of those who ultimately suffer. These include all of the following:

- being born into poverty
- suffering through domestic abuse which leads to living in poverty due to the person not being in control of their incomes
- someone losing their employment which is more of an issue at the moment due to the current COVID-19 crisis. The end of the furlough scheme at the end of October 2020 could result in a large number of job losses
- losing everything due to a partner gambling away the family income and savings
- being pressurised into supporting others due to emotional ties leading to debt or increased debt and potentially the loss of their home

**The most important factor to remember is that no one wants to be in poverty.**

## What are the Effects of Poverty?

**Every day becomes a struggle with choices having to be made on every action that you take. Do I have enough money to put petrol in the car to get to work? How do I make £10 last three days to feed a family of four? Where do I get help and support for free and without any costs? How can I reduce my costs to make the income I have last until my next pay day? Do I heat my home or eat today? Even if I get a Food Parcel, I have no money for fuel to cook the food.**

- The levels of stress that each person is under, greatly increases. They cannot concentrate at work, leading to issues with their performance which can then lead to fears about losing their job.
- They become socially isolated due to not having any spare funds to join in any social events or activities (e.g. lunch with friends, going to the pub, visiting relatives who don't stay nearby). People may perceive them as not wanting to engage at the very time when they need support the most.
- People may be tempted to turn to crime to provide for their family - "Poverty is the mother of all crime".
- Parents go without food and essentials to make sure that their children and those they support are able to have what they need.
- Children and young people are bullied at school due to not having the newest phone, or sports gear or laptops / mobile devices.
- Life becomes so much of a struggle that often the only way to escape can be suicide.
- Poverty has negative impacts on children's health, social, emotional and cognitive development, behaviour and educational outcomes. Children born into poverty are more likely to experience a wide range of health problems, including poor nutrition, chronic disease and mental health problems

## What are the different kinds of poverty that you may hear about?

### Fuel Poverty

People don't have enough money to adequately heat their homes without falling into poverty. Nearly 221k children in Scotland experience fuel poverty.

### In-work poverty

Where net household earnings are below the income threshold for that household. 470k people in Scotland don't earn the real Living Wage. 182k children in Scotland live in poverty despite having one person in their household in work

### Food poverty/Food insecurity

Poverty is the key issue in the rising numbers of people using foodbanks. Food is very often one of the first items which people cut back on when they begin to fall into poverty.

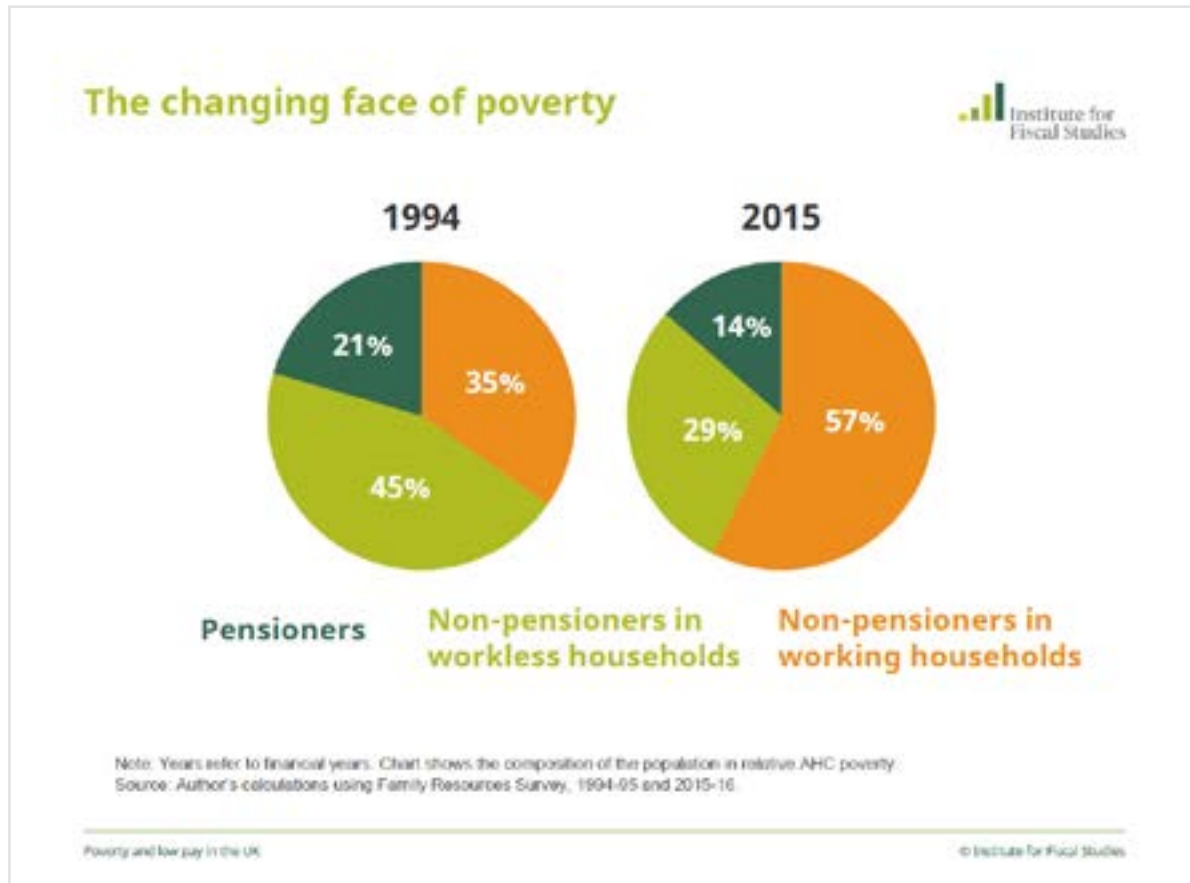
### Housing Poverty

The average weekly social rent in Scotland has risen from £42.64 in 2004-05 to £74.44 in 2016-17, an increase of 75 per cent.

## The Changing Face of Poverty

The levels of poverty within different types of households has changed significantly over the last 25 years. The Table below details the changes in the numbers of households who are experiencing poverty by Non-Pensioner Working Households, Non-Pensioners in Non-Working Households and Pensioners from 1994 until 2015.

This highlights the growing increase in the number of people experiencing In-Work Poverty (Non-Pensioner Working Households).



Our council and partners want to help all individuals and families who suffer from any form of poverty.

Please get in touch and our Services will be able to help you to escape from the poverty trap that you are in.

Every service is confidential and we will ensure that our Services and all of our partners will give you the help, empathy and support that you need, no matter the reason that you have reached the point you are at.

**Call 030 33 33 3000 or log onto [www.dumgal.gov.uk](http://www.dumgal.gov.uk) and we will be able to help you.**