

UNDERSTANDING SCOTLAND

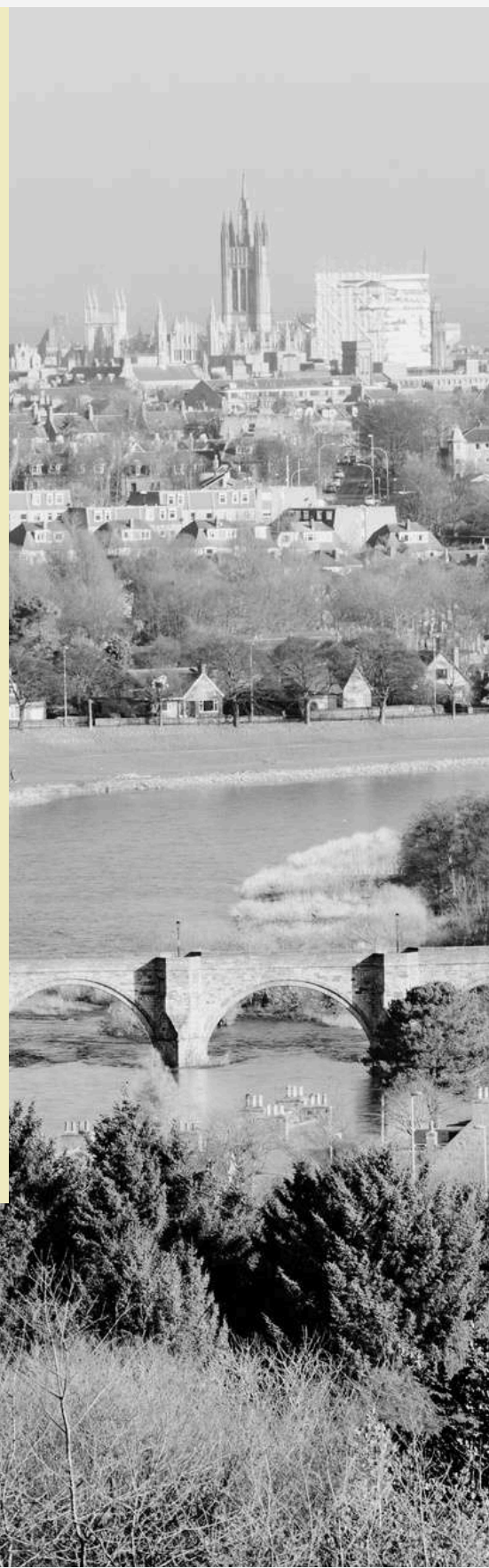
A SURVEY FOR SCOTLAND

ECONOMY
November 2024



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UNDERSTANDING SCOTLAND

Understanding Scotland is a quarterly survey tool measuring the most important facets of our lives and decision-making in Scotland: our society, economy, and environment.

This high-quality, large-scale survey tool is brought to you by Diffley Partnership and Charlotte Street Partners.

Understanding Scotland Economy Tracker is produced in partnership with the David Hume Institute*.



*Registered Charity Number SC009579

INTRODUCTION

ECONOMY - NOVEMBER 2024

In the final edition of the Understanding Scotland Economy Tracker for 2024, Scotland's economic outlook is more pessimistic than it has been in recent months. Messaging from the Prime Minister, that things will get worse before they get better, has clearly resonated with the public. This has likely amplified existing concerns, contributing to a notable shift in how Scots view their economic prospects. There has been a marked increase in the number of people who believe economic conditions will worsen in the coming year, indicating that the recent UK Budget has not driven renewed confidence among the public.

As in previous waves, healthcare and the cost of living remain the most pressing issues for the public. However, despite their continued dominance in the public's priorities, there has been a noticeable decline in the percentage of people identifying these as top concerns. This suggests a shift in focus as broader issues - poverty and inequality, the economy, education and trust in politics - are also coming to the forefront of people's concerns.

One key theme emerging from the data is the perception that the economy benefits the wealthy and businesses rather than the general population, with a substantial majority agreeing that the economy primarily serves the interests of the wealthiest in society rather than their own.

Households in Scotland continue to take action in response to concerns over money matters, with many households facing tough decisions like cutting back on leisure, reducing energy use, and even skipping meals. These impacts are felt most acutely by lower-income families and those with children. The stress is also taking a toll on mental health and overall wellbeing, raising concerns about the long-term impacts on health and productivity.

With the forthcoming Scottish budget, the increasing sense of pessimism reflected in the data suggests that many Scots are becoming more concerned about both their personal financial situations and the broader economic outlook. As the expectation grows that things may worsen before they improve, people will likely be looking to the budget for measures that can help ease these concerns. While healthcare and the cost of living remain central issues, there is an underlying sense that the budget will need to address immediate financial pressures, and potentially offer some foundation for greater confidence and stability moving forward.

UNDERSTANDING SCOTLAND

THE ECONOMY IN 5 POINTS

This edition of Understanding Scotland brings you insights from over 2,200 members of the adult (16+) Scottish public on the most important aspects of our society and economy.



01 ECONOMIC SENTIMENT WORSENS AMID GLOOMY OUTLOOK FOR THE FUTURE

Economic pessimism is deepening, with 63% of Scots now saying that general economic conditions have worsened over the past year, up nine percentage points from the last wave. Nearly half (48%) report that their own personal financial circumstances have worsened. Looking ahead, 65% expect things to deteriorate further over the next 12 months, a 13 percentage point increase. This sentiment is mirrored in personal financial outlooks, with 44% predicting their own finances will worsen, a seven percentage point rise. This suggests that the Prime Minister's warnings that things will get worse before they get better has landed with Scots.

02 HEALTHCARE AND COST OF LIVING STILL TOP CONCERNS DESPITE DECLINING FOCUS

Healthcare and the cost of living remain the dominant issues for Scots, with 47% and 34% respectively identifying them as key priorities. However, both have seen notable declines in concern since August, with healthcare dropping by four percentage points and cost of living by two. Over the past year, the focus on cost of living has shifted significantly, falling from 42% in November 2023. Other concerns like poverty, education, and political trust remain steady, while younger Scots (aged 16 to 34) are more likely to prioritise climate change (16%) than older Scots (7%).

03 LIFESTYLE ADJUSTMENTS AS SCOTS RESPOND TO FINANCIAL PRESSURES

The financial strain facing Scots has led to significant lifestyle changes, with over half cutting back on leisure activities (54%), reducing energy use (53%), and trimming non-essential spending (52%). Families with children are particularly affected, reporting higher levels of financial distress and altering household habits to cope. Older age groups are also cutting back but report these changes less frequently than younger Scots.

04 FINANCIAL PRESSURES TAKING A TOLL ON MENTAL AND PHYSICAL HEALTH

Money concerns are significantly affecting the health and wellbeing of Scots, with nearly a third (32%) reporting a negative impact on their mental health. Younger Scots aged 16–34 are particularly affected, with almost half (47%) citing mental health impacts, compared to 14% of those aged 65 and older. Financial stress is also linked to lost sleep (29%), strained relationships (17%), and reduced access to fresh, nutritious food, with 28% of Scots buying less fresh produce. Households with children are more likely to report the impacts of financial pressures than households without.

05 STRONG SUPPORT FOR SUSTAINABLE GROWTH AND LIVING STANDARDS AS ECONOMIC PRIORITIES

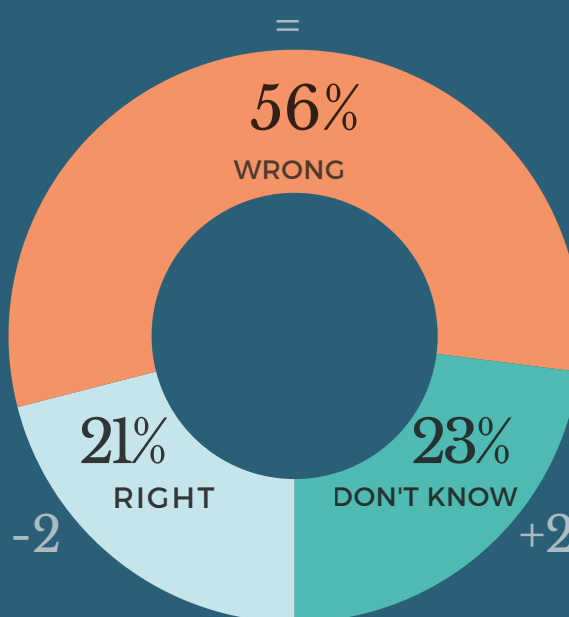
Public opinion remains firm that Scotland's economy should focus on improving living standards and wellbeing, with 85% agreeing this should be the main focus of the economy. Scots are also overwhelmingly in favour of environmentally responsible economic growth, with 70% stating that growth should not come at the expense of the climate. The perception that the economy primarily serves the wealthy remains high at 75%, but has decreased slightly over the past year.

SCOTLAND'S DIRECTION OF TRAVEL

Since May 2022, negativity about Scotland's direction of travel has outpaced positivity. In continuation of this trend, this wave, 56% of Scots think that things in Scotland are heading in the wrong direction, while 21% think that things are heading in the right direction. Despite this general negativity, the percentage of Scots who think things are heading in the wrong direction has remained stable over the last quarter. However, the proportion of Scots who think things are going in the right direction has fallen two percentage points and the proportion who don't know what has increased two percentage points from August. At 23% reporting that they don't know, this marks a record high for the Understanding Scotland series.

Views on Scotland's direction of vary significantly by demographic. Older age groups, specifically those 55 and older (62%), are more likely to think that things are heading in the wrong direction than those aged 16 to 44 (50%), as are those living in Scotland's urban areas (57%) compared to those in rural areas (49%). Some demographics are also more likely to be undecided, with 29% of women and 28% of those in social grade C2DE saying they don't know what direction Scotland is heading in, compared to 17% of men and 20% of those in grades ABC1.

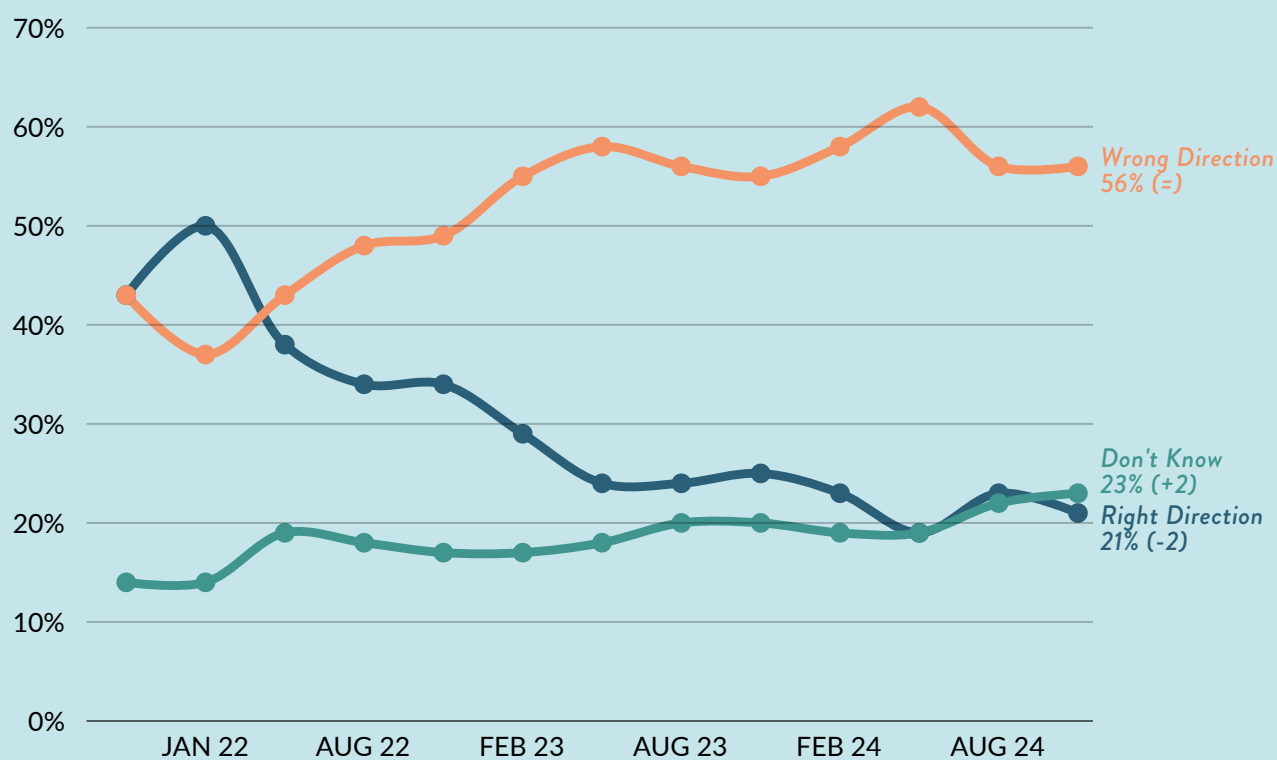
Perceptions of Scotland's direction also vary by economic optimism, with those who are optimistic about current and future economic conditions being more positive about Scotland's direction and those who are pessimistic about conditions being more negative.



Generally speaking, do you think things in Scotland are heading in the right direction or the wrong direction?

SCOTLAND'S DIRECTION OF TRAVEL

Proportion of people saying that things in Scotland are going in the right and wrong direction



Generally speaking, do you think things in Scotland are heading in the right direction or the wrong direction?

Brackets show change from August 2024

PUBLIC PRIORITIES

Throughout the Understanding Scotland series, healthcare and the cost of living have consistently been the public's top priorities, and both maintain their dominance this wave. Just under half (47%) of Scots report that healthcare and the NHS is one of the top three issues facing Scotland, although this is down by a sizable four percentage points since August. Moreover, the percentage of Scots selecting the cost of living/inflation as a top issue has fallen two percentage points this wave, now cited by just over one third (34%). For emphasis on the cost of living/inflation, this continues a downward trend in prioritisation since in August 2023. A year ago, in November 2023, over four in ten (42%) Scots identified this as a top issue, eight percentage points higher than in the latest wave.

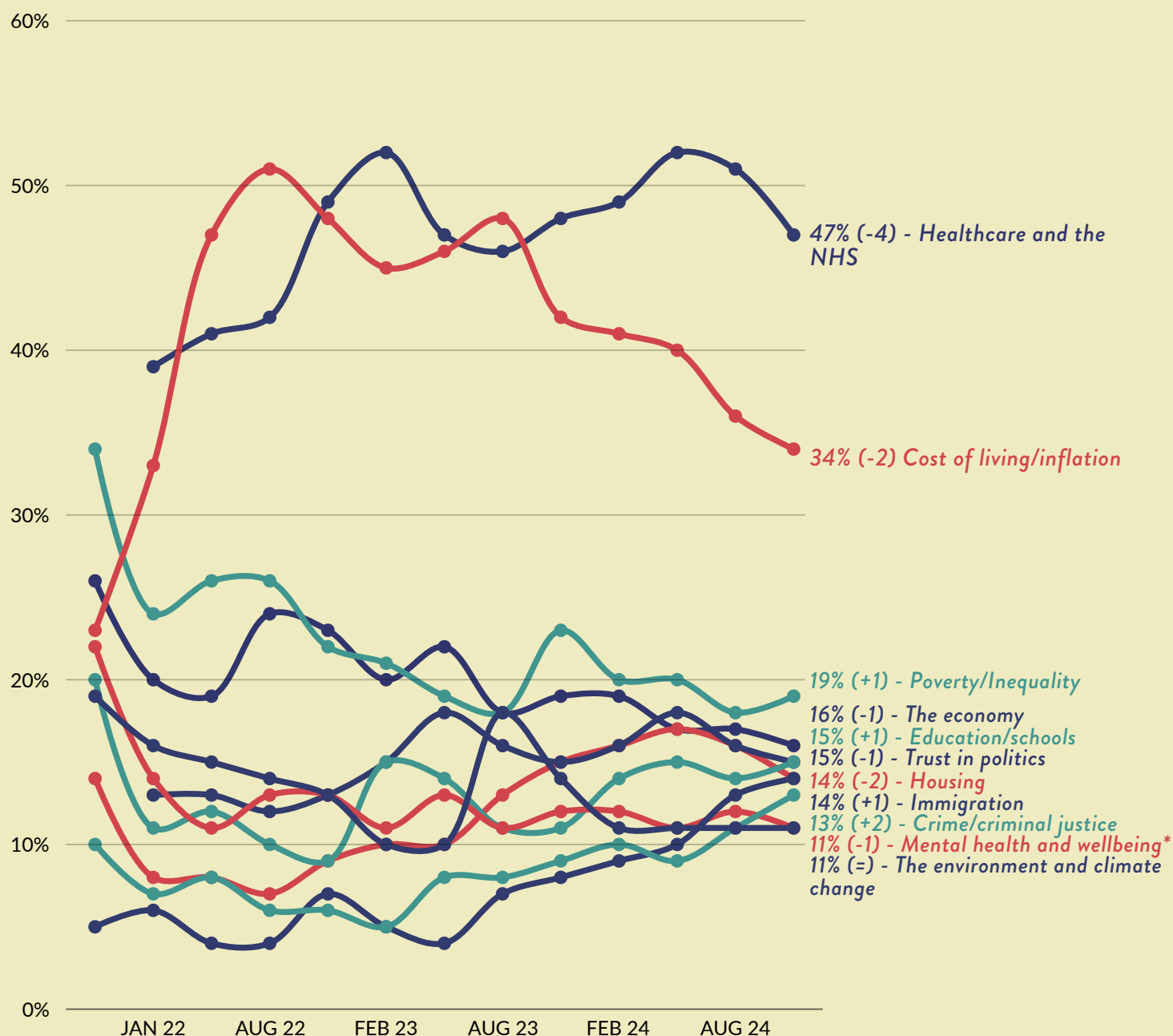
Peripheral to healthcare and cost of living, a number of issues remain prominent in the public's concern. 15% or more of Scots select poverty and inequality, the economy, education/schools, and trust in politics as top issues facing Scotland. These have remained stable since August, rising or falling by no more than one percentage point in each instance.

Selected by just under 15% of Scots, housing (14%) has seen a small decrease of two percentage points while crime/criminal justice (13%) has seen a two percentage point increase since August. The proportion of those that cite the environment and climate change (11%) as among the top three issues facing the Scotland has remained stable.

Looking at the demographics of those who identify the environment and climate change as among the top three issues facing Scotland, a higher proportion of those aged 16 to 34 (16%) and 35 to 44 (12%) select this compared to those aged 55 to 64 (7%) and those aged 65+ (7%). Moreover, those in SIMD4 (12%) and SIMD 5 (15%) neighbourhoods are more likely to view the environment and climate change as a key issue than those in SIMD1 neighbourhoods (6%).

TOP PRIORITIES & ISSUES

Proportion of respondents citing each matter as one of the top three issues facing Scotland



And what do you think are the three most important issues facing Scotland today? (Only answer options above 10% shown)

N.B. An asterisk denotes a new or changed answer item since the first wave in September 2021. Changes in brackets since August 2024

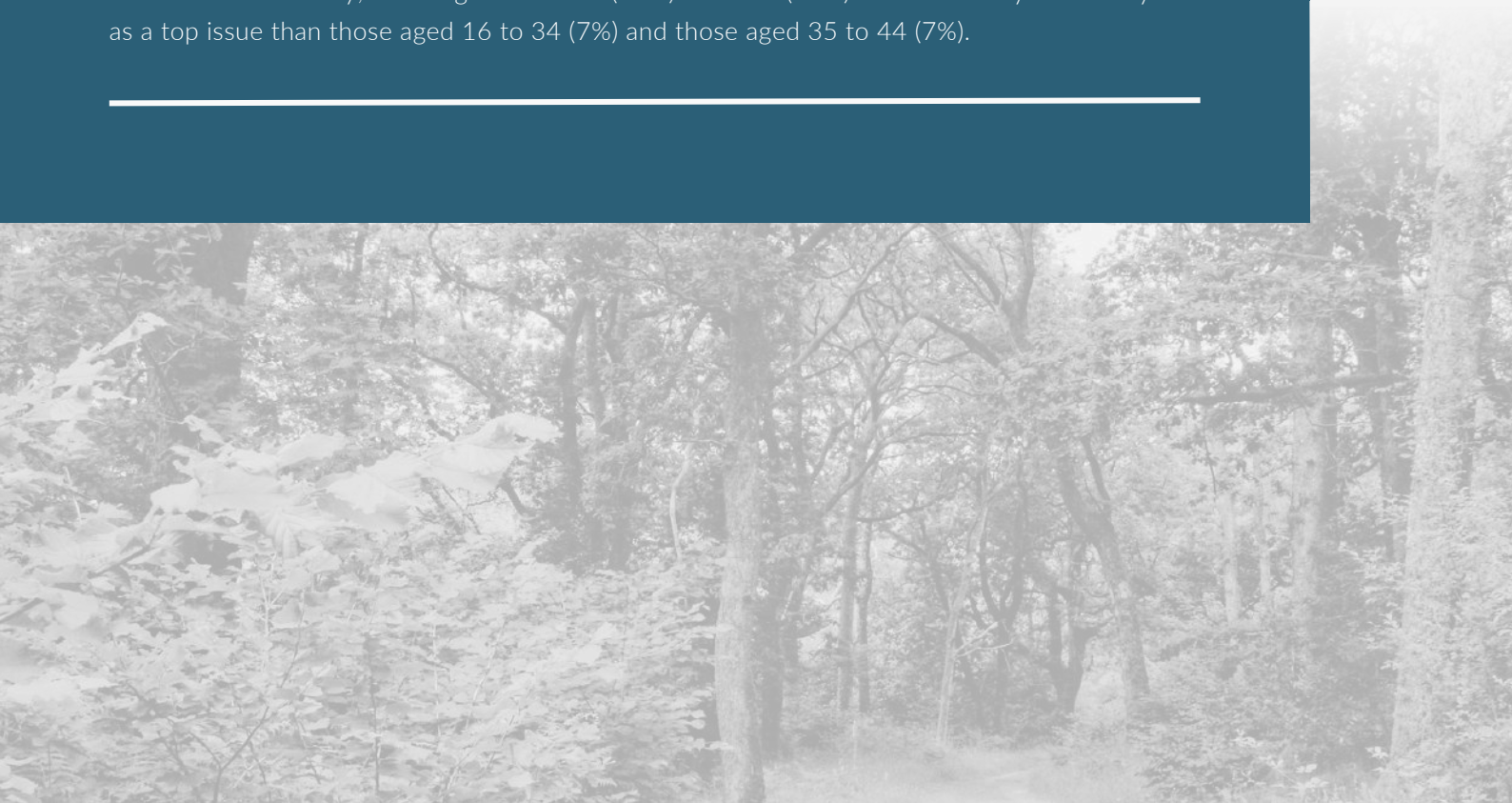
ECONOMIC PRIORITIES

Despite the declining trend seen above, when considering particular economic and financial issues in Scotland, the cost of living/inflation is the most selected public concern. Almost three in five Scots (56%) consider cost of living/inflation to be one of the top three issues facing the Scottish economy, down two percentage points since August.

Other top economic issues, include lack of spending on public services (37%), poverty and inequality (28%), and managing public finances (28%). Three in ten (30%) also identified living standards and wages as a top concern, however this is down five percentage points from August.

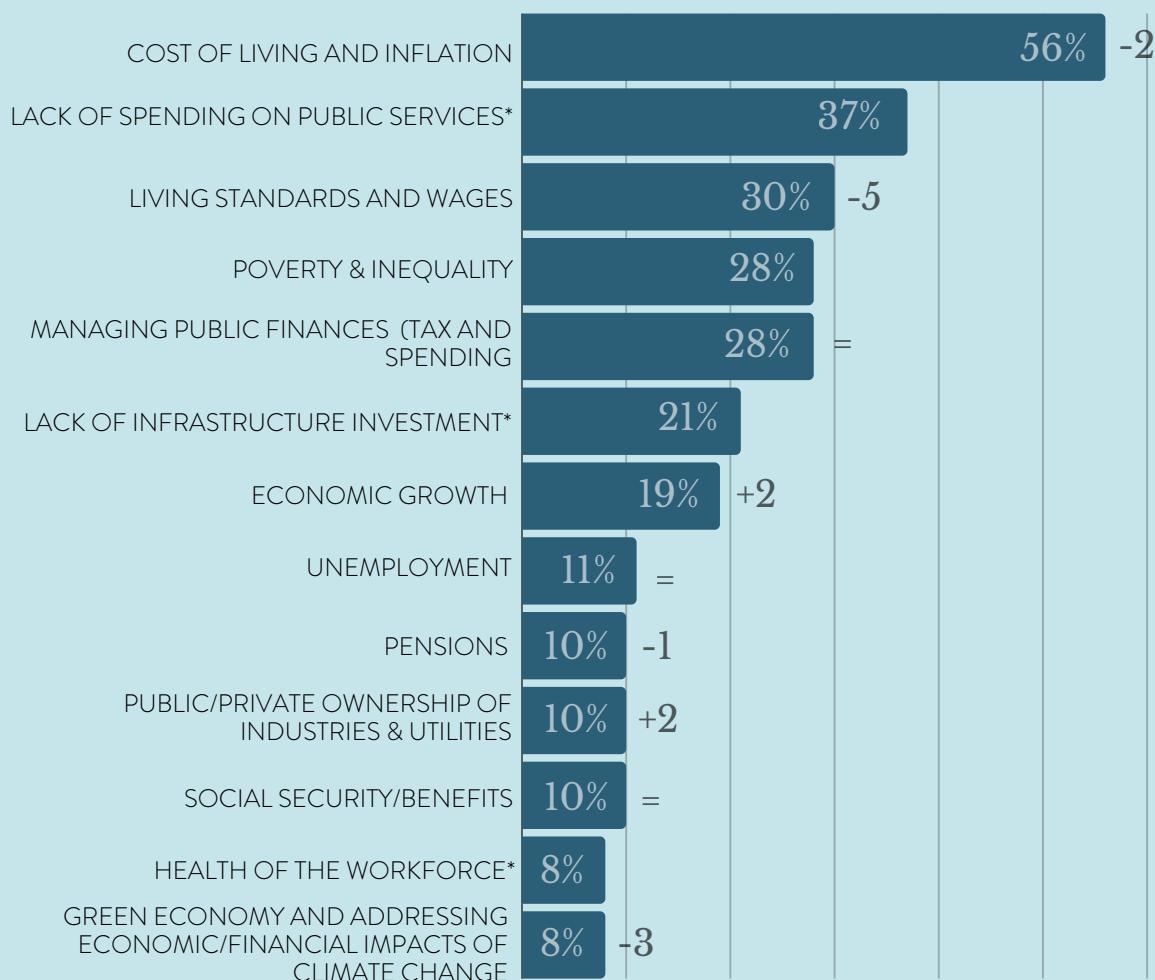
Additionally, concern about economic growth has increased two percentage points since August, with 19% of Scots selecting this as one of their top three issues this wave. This is more prominent amongst those aged 65+ (23%) and those aged 55 to 64 (21%) than those aged 16 to 34 (13%).

Expectedly, when considering the demographics who identify pensions as a top issue facing the Scottish economy, those aged 55 to 64 (13%) and 65+ (17%) are more likely to identify this as a top issue than those aged 16 to 34 (7%) and those aged 35 to 44 (7%).



ECONOMIC & FINANCIAL PRIORITIES

Proportion of respondents citing each item as being among the top three issues facing the Scottish economy



Thinking specifically about economic and financial issues, which of the following do you think are the three most important issues facing the Scottish economy? (Only answer options above 7% shown) Asterisk represents new or changed answer option. Numbers outside bars represent percentage point change from August 2024

ECONOMIC OUTLOOK

Throughout the last two years, economic outlook amongst Scots has been largely negative. In August, when asked if they believe that general economic conditions are better or worse than a year ago, over half (54%) of Scots who expressed an opinion thought conditions had worsened. Over the last three months, this has increased nine percentage points to just under two-thirds (63%) agreeing that economic conditions have gotten worse over the last 12 months.

Likewise, this indicates a shift from the sense that conditions are about the same or better now than they were a year ago. Over the last quarter, the percentage of people who believe general economic conditions are about the same as they were a year ago has decreased six percentage points to about three in ten (31%), while the proportion of Scots who believe general economic conditions have improved has nearly halved, down five percentage points, to 6%.

A corresponding, although smaller, shift is reflected when considering their individual financial situation; nearly half (48%) report that their situation has worsened over the last year, up six percentage points, and two-fifths (40%) report that their situation is about the same, down three percentage points.

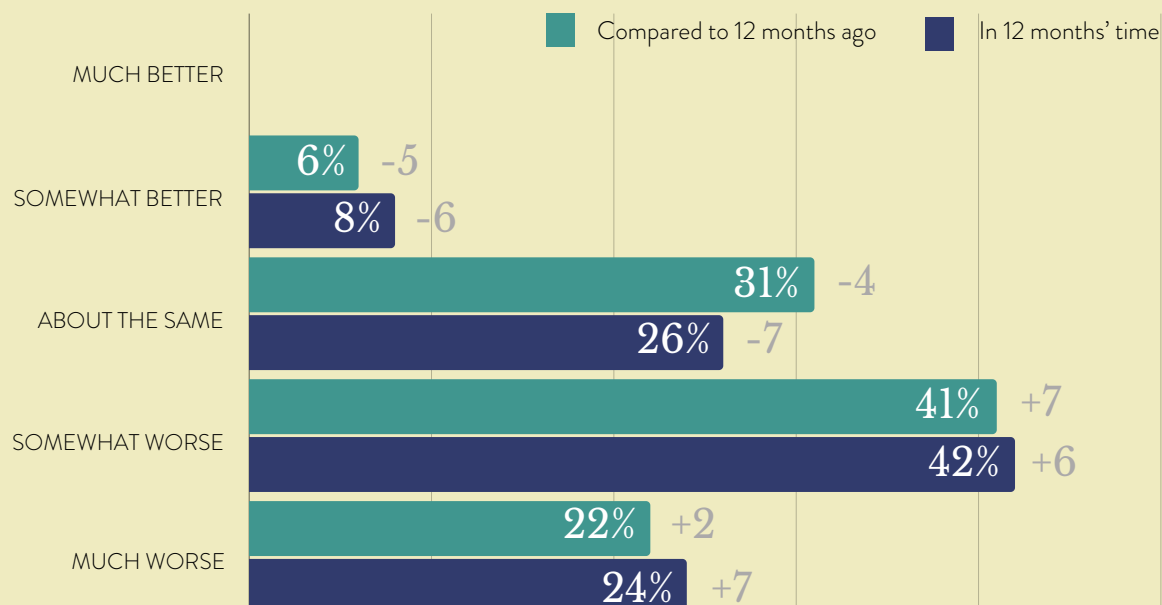
Similarly, future forecasts are increasingly negative; the proportion of Scots who believe general economic conditions will worsen over the next 12 months is up thirteen percentage points, to nearly two-thirds (65%), with a six percentage point decrease in those saying that conditions will be better and a seven percentage point decrease in those saying things will be about the same.

Over two-fifths (44%) of respondents believe their financial circumstances will be worse in 12 months' time, up seven percentage points. Interestingly, those aged 16 to 34 are significantly more likely to think their own financial circumstances will be better in 12 months' time (25%) than those aged 45 to 54 (6%), 55 to 64 (8%) and 65+ (5%), mirroring findings from the previous wave.

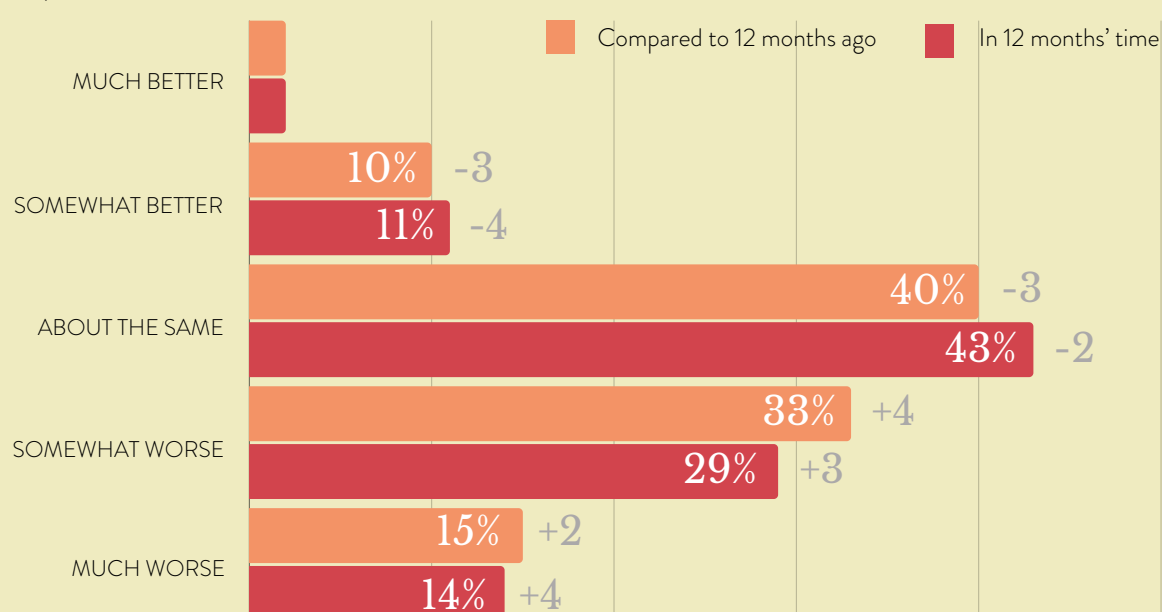


OVERVIEW OF ECONOMIC OUTLOOK

General economic conditions



Own financial circumstances

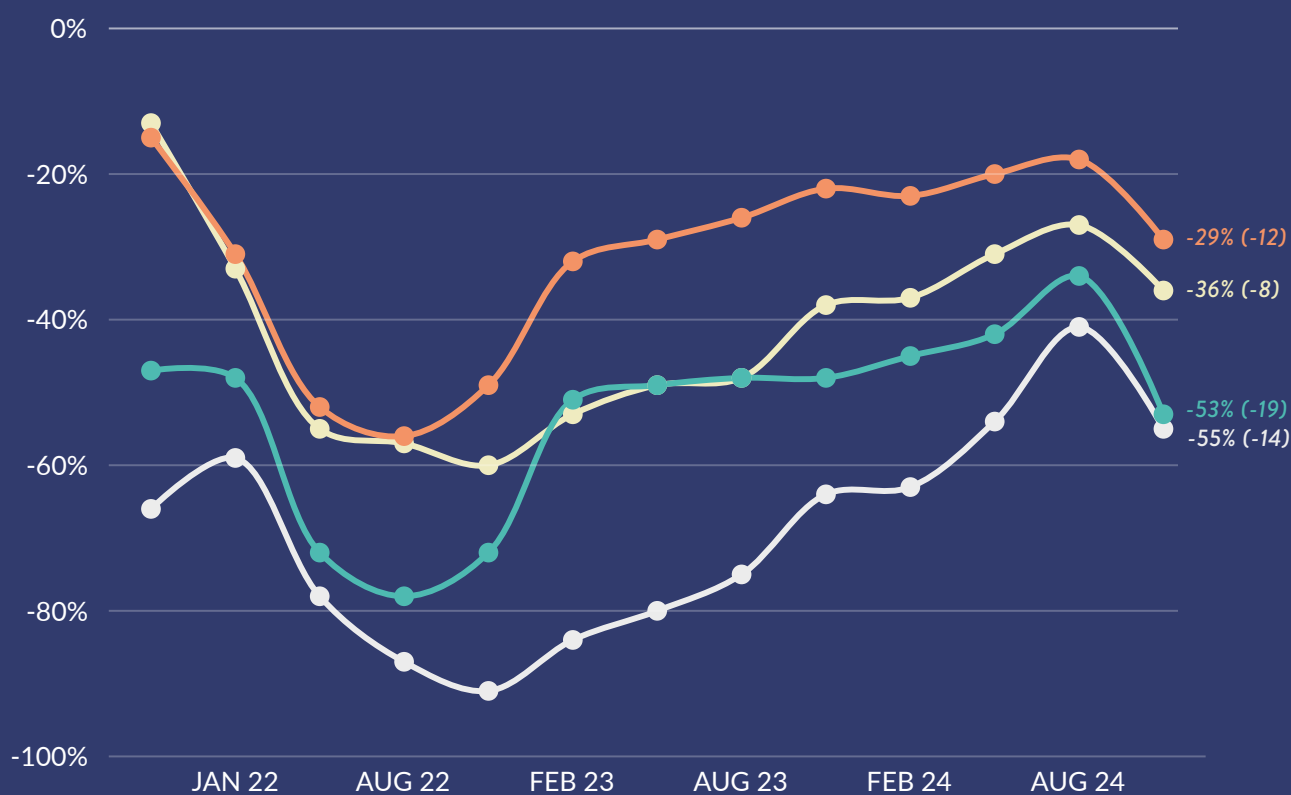


'Don't know' answers excluded. Numbers outside charts represent change from August 2024

ECONOMIC & FINANCIAL OPTIMISM OVER TIME

'Net' proportion of people reporting/predicting an improvement in financial and economic conditions minus the proportion reporting/predicting a deterioration.

- Compared to the past 12 months, do you believe that general economic conditions are better or worse now?
- Compared to the past 12 months, do you believe that your own financial situation/circumstances are better or worse now?
- Compared to now, do you believe that general economic conditions will be better or worse over the next 12 months?
- Compared to now, do you believe that your own financial circumstances will be better or worse over the next 12 months?



Changes in brackets since August 2024



CONCERN WITH MONEY MATTERS

This wave, Scots were asked about how concerns about money matters have affected them over the past year. The most commonly selected behaviours highlight ways to reduce expenditure, with over half of Scots reporting cutting down on leisure activities (54%), reducing heating or energy use (53%) and reducing non-essential spending (52%) due to concerns with money matters. These behaviours have also routinely been most common amongst those surveyed about coping with rising costs of living over the past year.

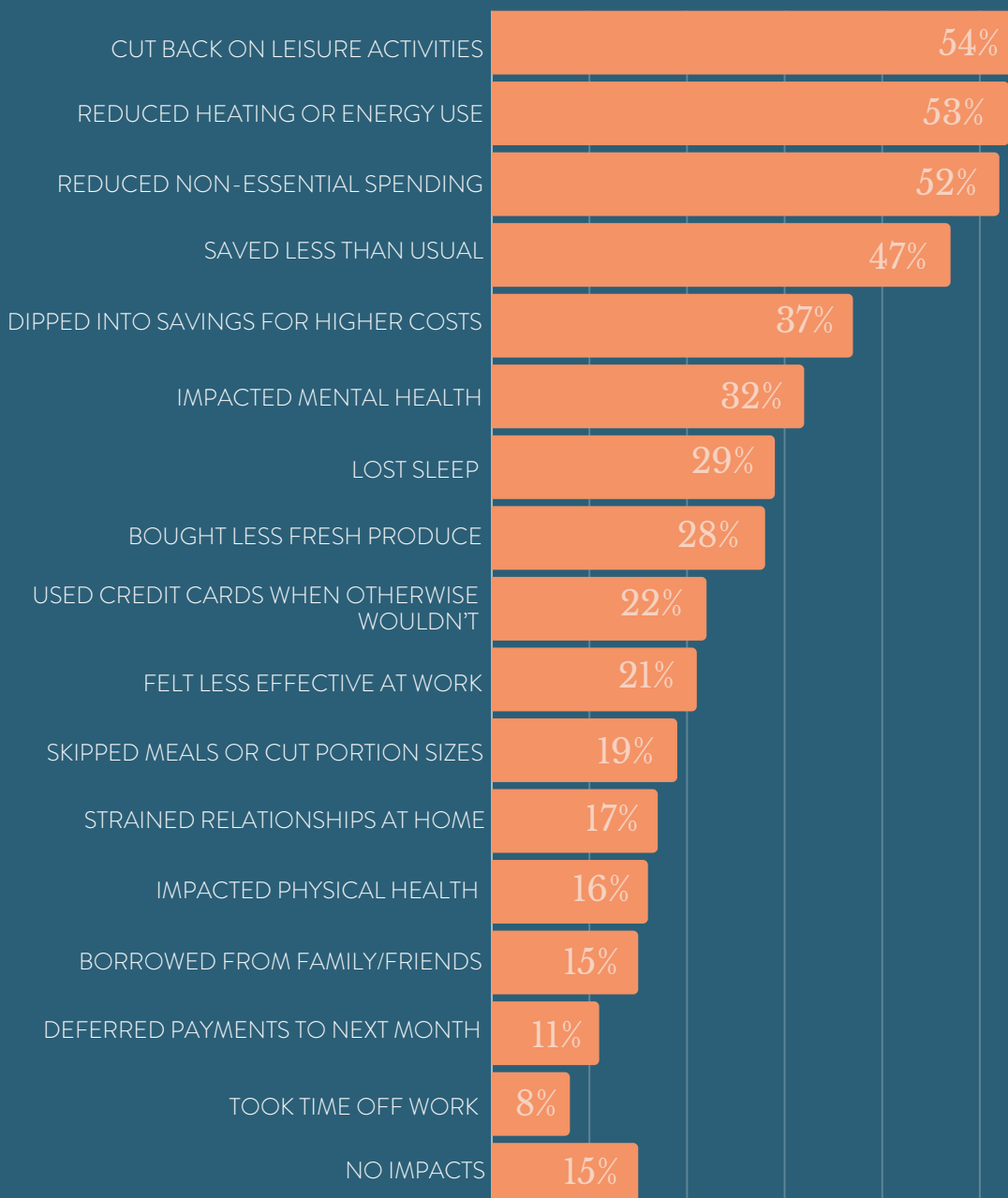
A number of demographic patterns can be identified amongst individuals' financial concerns. Those aged 16 to 34 were much more likely to be affected by these concerns than those aged 65 or older. The most prominent variances are between those in these age groups who have experienced impacted mental health (47% vs. 14%), have had to borrow from friends or family (31% vs. 3%) or had to cut back on leisure activities (66% vs. 42%).

As would be expected, social grade was also a strong indicator of the likelihood of being affected by money matters, with those in grades C2, D, and E more likely to report having engaged in these behaviours than those in social grades A, B and C1. The largest differences are seen amongst those who selected that their mental health has been impacted by these concerns (39% vs. 27%), they have skipped meals or cut portion sizes (26%; 14%), bought less fresh produce (34% vs. 23%), reduced heating or energy use (59% vs. 48%) or lost sleep over concerns about money (35% vs. 25%).

Household composition also had a significant impact on financial distress; those belonging to households with children were significantly more likely to report being affected by money matters than those from households without children. The most notable differences are reflected amongst those who have experienced strained relationships at home, bought less fresh produce, cut back on leisure activities and impacts on mental health.

CONCERN WITH MONEY MATTERS

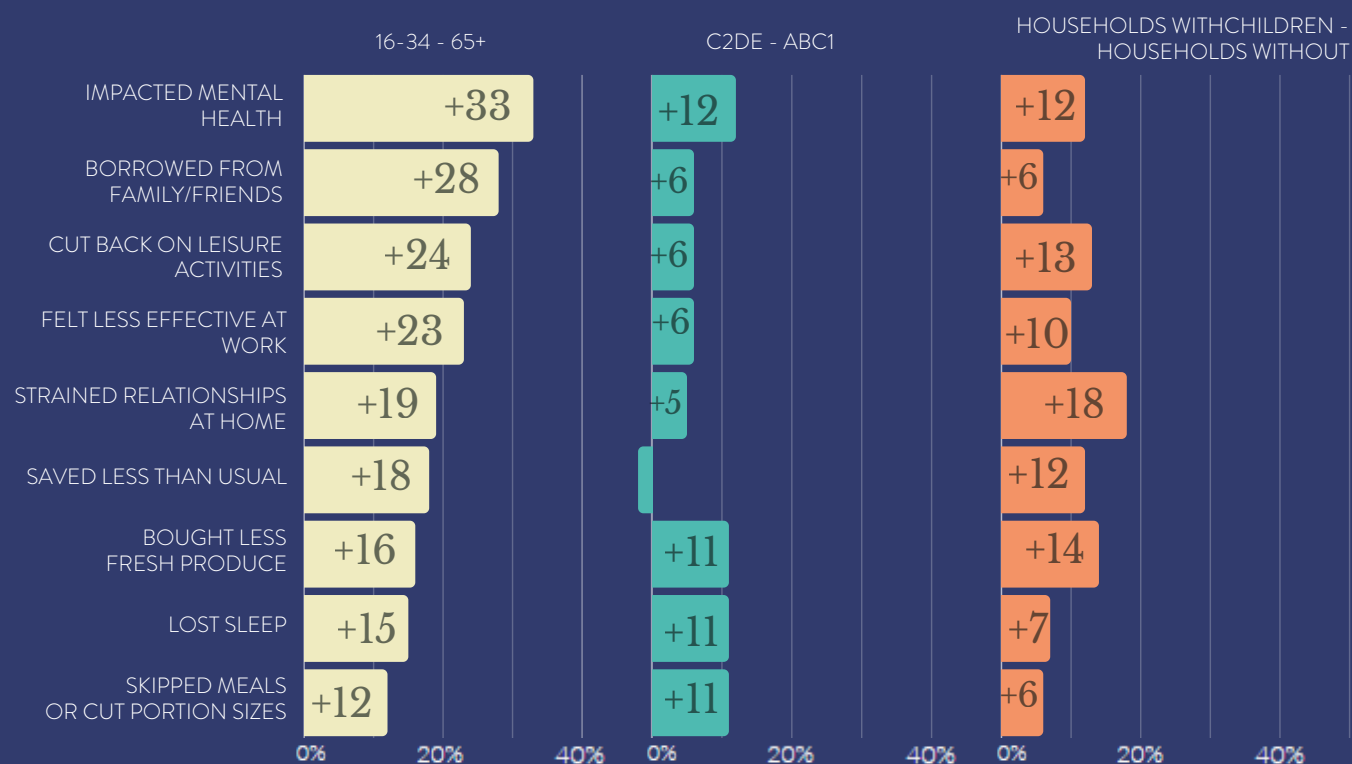
Proportion of respondents reporting the following impacts of concerns about money matters in the last 12 months



In which of the following ways have concerns about money matters affected you in the last 12 months? (Selected answer options shown)

CONCERNS WITH MONEY MATTERS, BY DEMOGRAPHIC

Difference between percentage of respondents in each demographic reporting the following impacts of concerns about money matters in the last 12 months



*In which of the following ways have concerns about money matters affected you in the last 12 months? (Selected answer options shown)
Values represent percentage point difference between selected demographic groups*



SCOTLAND'S ECONOMIC MODEL

Over the last three years, since October 2021, when asked about the functions of the economy, overall public opinion has remained consistent: that the economy works primarily in the interest of wealthy people and business rather than the general population. Whilst this remains true, some attitudinal changes have been noted over the past year.

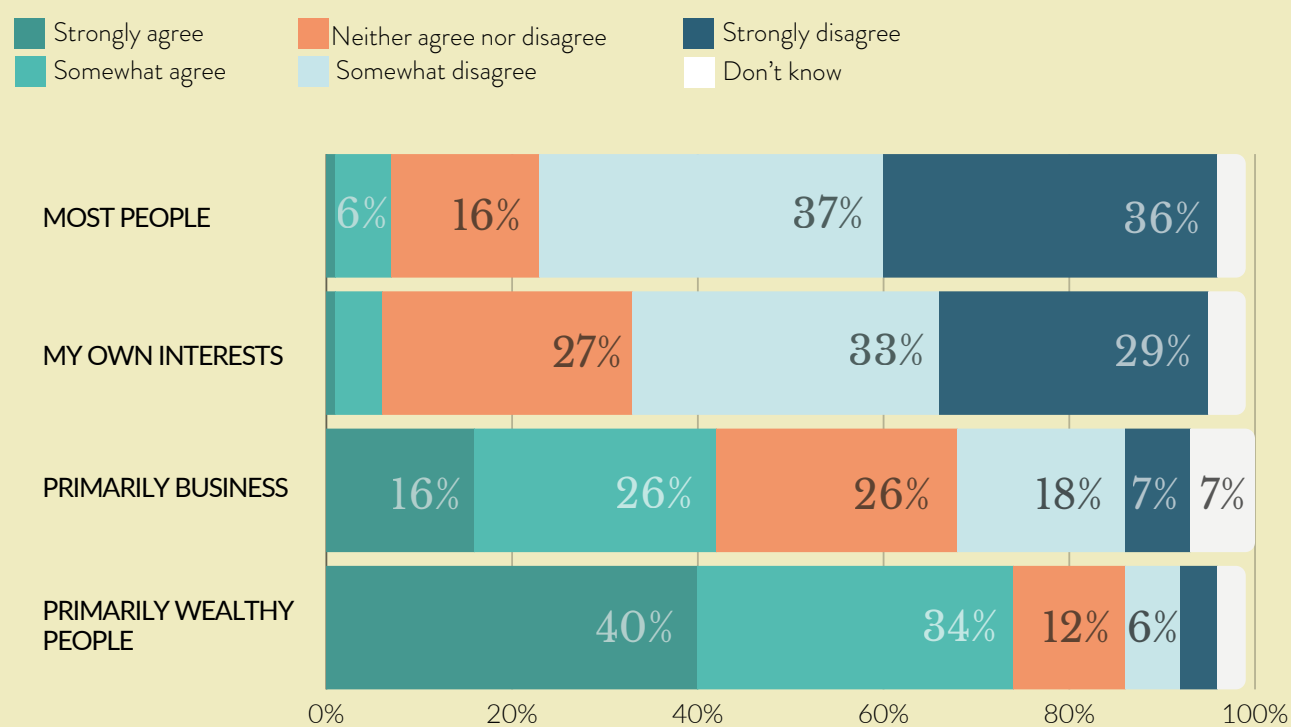
Three in four Scots (75%) believe that the economy today works primarily in the interests of the wealthy, a three percentage point decrease from November 2023, whilst four in ten (42%) agree it works primarily in the interest of business, an 11 percentage point decrease from a year ago.

Still, this is in comparison to only 6% who believe it works in their own interest, representing a four percentage point decrease from the proportion who said the same in November 2023. Moreover, a clear majority (73%) do not believe the economy works in the interest of most people, with over a third (36%) strongly disagreeing that the economy works in most people's interests, although these figures have seen a five and three percentage point decline over the past year, respectively.

Looking at demographic differences, those aged 16 to 34 are most likely to believe that the economy works primarily in the interests of the wealthy compared to Scots aged 35 and over, and those aged 16 to 44 are more likely to agree the economy works primarily in the interests of business than those aged 45 or older.

ECONOMY FUNCTIONS IN THE INTEREST OF...

Proportion of respondents that agree or disagree that the economy works in the interest of each group

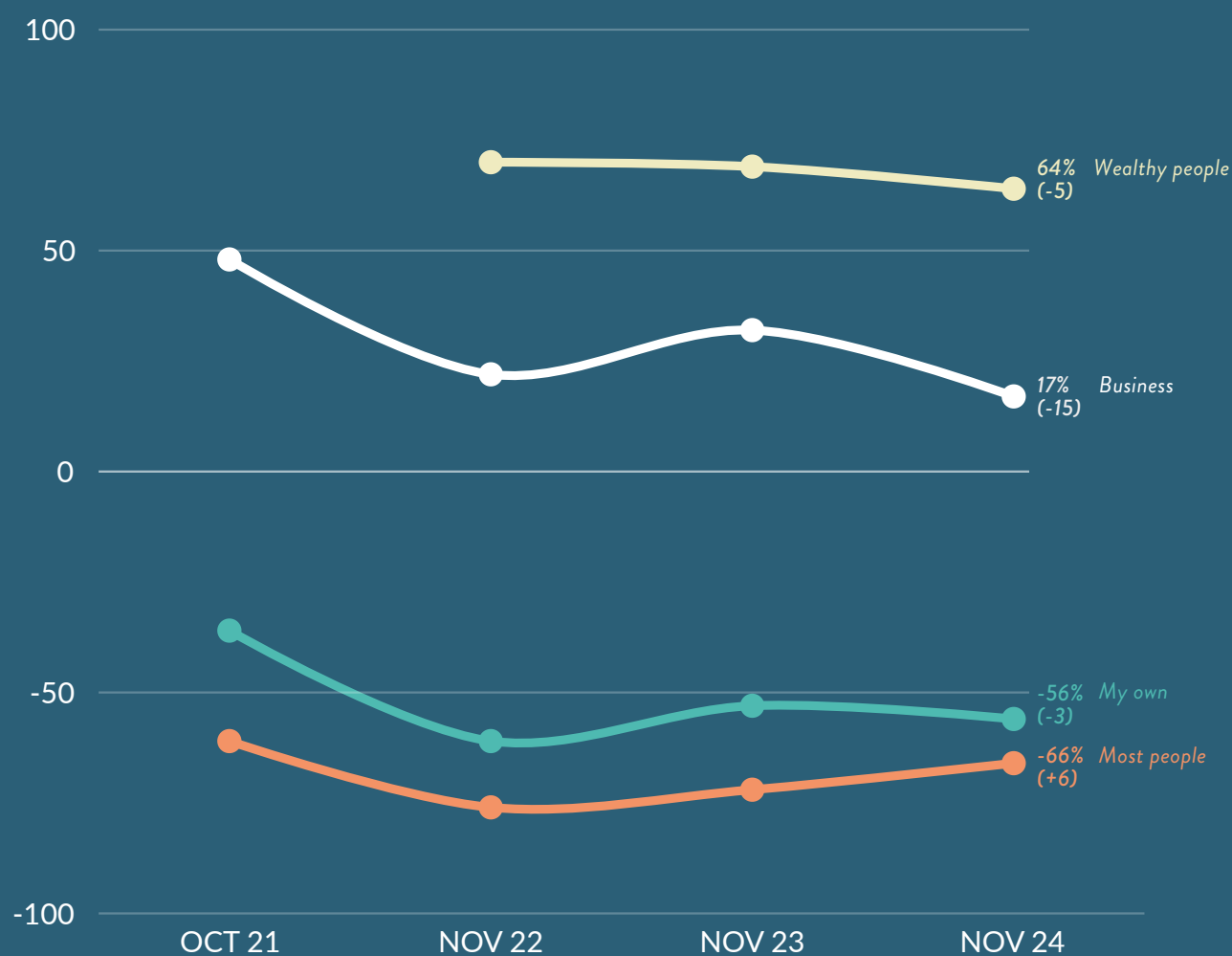


To what extent do you agree or disagree with the following statements: The economy, as it is currently organised, works in the interests of...



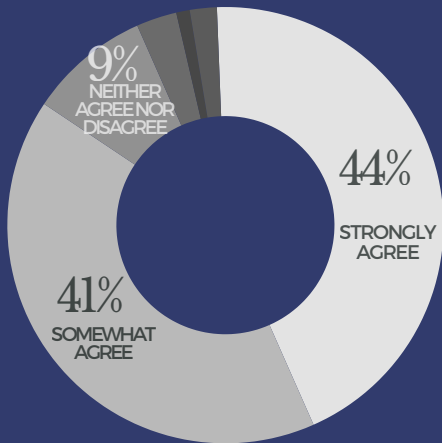
ECONOMY FUNCTIONS IN THE INTEREST OF...

'Net' proportion of people that agree that the economy works in the interest of each group minus the proportion of people that disagree.

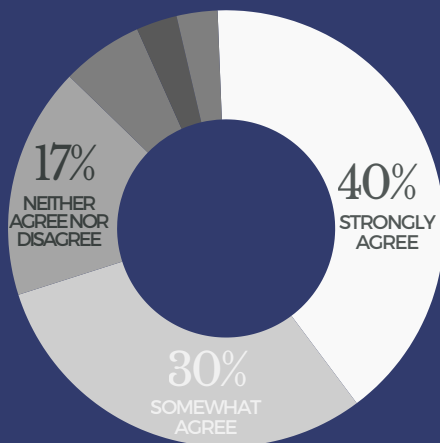


To what extent do you agree or disagree with this statement: The economy, as it is currently organised, works (primarily) in the interests of...

Brackets show change from November 2023



Improving living standards and wellbeing for the average member of society should be the main focus of the economy



Economic growth should not harm the environment or make climate change worse

VIEWS ON ECONOMIC GROWTH

An overwhelming majority (85%) of Scots agree that improving living standards and wellbeing for the average member of society should be the main focus of the economy. Women were more likely than men to agree with this (87%; 82%) whilst men were more likely than women to display neutral attitudes towards this sentiment, neither agreeing nor disagreeing (11%; 7%).

With regards to the relationship between economic growth and climate change, seven in ten (70%) Scots agreed that economic growth should not harm the environment or make climate change worse. Again, women and men display differences in opinion on this idea. Female respondents were more likely to agree with this than their male counterparts (75%; 65%) and likewise, male respondents were more likely than female respondents to disagree (15%; 5%).

Age also seemed to play a role in respondents' opinions on economic growth and climate change, with respondents aged 16 to 44 more likely to agree economic growth should not harm the environment or worsen climate change than those aged 45 and over.

ATTITUDES TO MANAGING SOCIETAL RISK

Nearly all respondents (96%) either strongly agree or somewhat agree that people are less effective at work when they are not eating or sleeping well and almost nine in ten (88%) agree that employers have a responsibility to pay wages that meet people's basic needs, highlighting widespread recognition of the relationship between individual wellbeing and workplace performance.

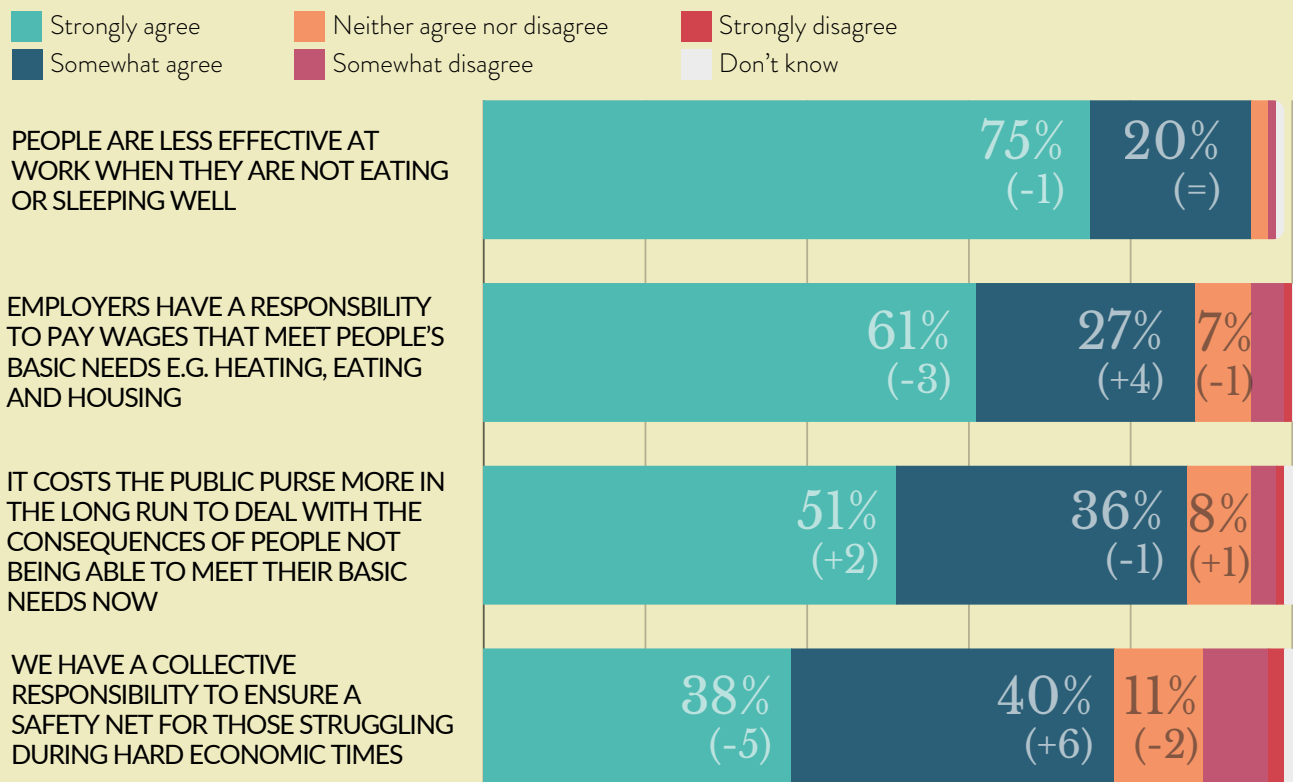
However, when looking at those who strongly agree with these statements, there is a 15 percentage point variance, with three-quarters (75%) strongly agreeing productivity decreases when people are not eating or sleeping well while only three-fifths (61%) strongly agree employers should bear the responsibility to pay wages to meet employees' basic needs. In both cases, female respondents were more likely than their male counterparts to strongly agree with these sentiments, as were younger respondents (aged 16 to 44) relative to older respondents (aged 45 or older).

Almost nine in ten (87%) Scots agree it costs the public purse more in the long run to deal with the consequences of people not being able to meet their basic needs today, with half (51%) strongly agreeing with this statement. Additionally, over three-quarters (78%) agree that there is a collective responsibility to ensure a safety net for those facing challenges during difficult economic periods. This suggests an understanding of the broader societal implications of failing to address immediate needs as well as widespread acknowledgment of the importance of societal support systems in providing assistance to vulnerable individuals and families during times of economic strain. Although this figure is similar to that found during the February 2024 wave (77%), when this question was last asked, the composition of group has shifted towards a greater proportion of those only somewhat agreeing, rather than strongly agreeing.

The data continues to reflect strong support for collective responsibility and employer accountability in Scotland, as well as recognition of the links between well-being and work performance, and the long-term consequences of basic needs going unmet.

ATTITUDES TO MANAGING SOCIETAL RISK

Proportions of respondents agreeing or disagreeing with statements about societal risk



To what extent do you agree or disagree with the following statements?



TECHNICAL DETAILS

The survey was designed by Diffley Partnership and the David Hume Institute. Invitations were issued online using the ScotPulse panel. Fieldwork was conducted between the 1st - 5th November 2024, and received 2,233 responses from the adult population, aged 16+, across Scotland. Results are weighted to the Scottish population (2021 estimates) by age and sex.



FIND OUT MORE

To explore the results for yourself, visit our website [here](#), and register for exclusive updates and a quarterly bulletin [here](#).

If you are interested in having your own questions asked and answered in future waves of Understanding Scotland, email us at contact@understanding-scotland.co.uk.



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