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66 I sat and made a list of everything I need. I was thinking 'am I going to be able to afford this?' There are so many unknown costs that I didn't budget for. 99

Parent in Scotland, August 2023

For more information, please contact: **Suzi Murning**, Policy and Advocacy Advisor

<u>S.murning@savethechildren.org.uk</u>

Executive summary

In the first year of a baby's life their brain grows rapidly, and they develop the building blocks needed to succeed throughout life. It is a critical time in children's development and can be the most significant in defining future outcomes. Evidence is clear that experiences of poverty in a baby's first twelve months can have a profoundly disadvantageous effect on their development in infancy and beyond. Since brain development in infancy is a determinant of future outcomes, experiences of poverty at this stage can cause poor outcomes throughout a child's life. Yet, in Scotland, families with a baby under one are statistically more likely to be living in poverty. It is not right that a child is most likely to experience poverty at the time when it is most harmful.

Of all forms of intervention to tackle and prevent child poverty, support in the earliest stages can have the biggest impact on improving outcomes. The earlier families are supported and helped to move out of poverty, the better. Supporting families with a baby to move out of poverty means ensuring they have the financial resources and help they need to thrive, from pregnancy and throughout the critical early stages of a baby's life.

In the Scottish Government's efforts to meet the statutory child poverty reduction targets by 2030, families with a baby under one have rightly been identified as a priority group. Progress has been made, with policies and action targeting financial and other forms of support for the youngest children. These actions have had a positive impact on young children and their families. However, with 34% of families with a baby living in poverty in Scotland, our analysis finds that not enough is being done to target help and support for this group. Progress is fragile and slow compared to the confident strides we need to make. While many of the policy levers to tackle the root causes of poverty in families with a baby can be solved by action taken by the UK Government, the Scottish Government has significant powers which could be used to protect babies from the harms of poverty.

Our research and work with parents in Scotland living on a low income suggests urgent and significant action should be taken to reduce poverty and improve outcomes for babies and their families, which we outline in the recommendations section of this briefing.

Save the Children believes that achieving a fair start for all children in Scotland means ensuring families are properly supported in the first twelve months of a child's life. There is a narrow window to make sure all babies develop the right building blocks for a happy, healthy life; we must get it right.

Our key recommendations to reduce the poverty rate for babies under one

The Scottish Government should:

- Introduce a joined up strategic approach across portfolios (early years, social security and fair work as a minimum) to drive further progress to reduce child poverty in households with a baby under one.
- 2 Ensure every new baby in Scotland grows up in a home where there is enough money, giving them the best start in life.
- 3 Support families to make the best choices to enable them to balance caring for their baby and employment.
- Progress action on joining up services that combine financial support with practical and emotional family support that meets the need of all family types.

Introduction

Scotland aims to be the best place in the world for a child to grow up, but the scale and persistence of poverty can deprive children of the healthy, happy and thriving childhood they deserve. As set out in the Child Poverty (Scotland) Act 2017, the Scottish Government has a legal obligation to reduce child poverty to less than 1 in 10 children by 2030.¹ Yet currently almost 1 in 4 children live in poverty (Scottish Government, 2023a). Among the six priority family types,² the rate of child poverty is even higher, with families with a baby under one³ having one of the highest chances of experiencing poverty compared to all families (Scottish Government, 2021).

This briefing brings together compelling evidence around the harm caused by poverty when it is experienced in a baby's earliest years, with a focus on the first year of life, and expounds on the reasons why families with a baby are more vulnerable to experiencing poverty. We use this to make the case that more must urgently be done to fix the structural issues that pull families with a baby into poverty and to bring down poverty rates.

We show that in the first year of a child's life they start to develop the skills that are the building blocks upon which their life trajectory is set. Evidence suggests that experiences of poverty in infancy can impede this crucial development. Further, if families experience poverty in the first year of a baby's life, that not only impacts on their first year, but can have long-lasting consequences such as poorer educational, social, emotional and health outcomes throughout their life. In this way, poverty's impact on children can be most acute and lasting when experienced at this age. That is why it is imperative that swift and effective action is taken.

We begin this briefing by setting out a vision for all families with a baby, where they have a reliable, secure and adequate income, and end by outlining the action we believe is needed to achieve this. We believe that, with continued political will that is backed by action, Scotland can realise this vision.

Our recommendations, informed by conversations with families, would ensure families with a baby receive targeted support, tailored to their specific needs. Our analysis of the actions taken by the Scottish Government to reduce poverty rates in families with a baby lead us to conclude that, while progress has been made, as it stands, not enough is being done to meet commitments. This is despite the fact that intervening in the early years has the greatest potential for impact.⁴ If Scotland wants to sustainably reduce child poverty beyond 2030, we must prevent children experiencing poverty from birth.

¹ The bill sets out four legally binding targets. As well as reducing relative child poverty to less than 10%, the act requires that, by 2030, less than: 5% of children are in absolute poverty, 5% of children are in combined low income and material deprivation, and 5% of children are in persistent poverty.

² The Scottish Government has identified six priority family types who have the highest risk of experiencing child poverty. They are lone parent families, minority ethnic families, families with a disabled adult or child, families with a younger mother (under 25), families with a child under one, and larger families (three or more children).

³ Throughout this briefing, when we refer to 'families with a baby' we mean families with a baby under one year old, unless otherwise stated.

⁴ Throughout this briefing, when we refer to 'the early years' or 'early childhood', we are referring to the stage from pregnancy to age two, often referred to as the 'first 1001 days' – unless otherwise stated.

Our vision for babies in Scotland

Save the Children's vision is that every child born in Scotland has everything they need to be healthy, happy and to thrive. We want to see every child have the best start in life, one where their needs are met and where they can fully experience the joys of childhood.

Our vision is that every family has an adequate and reliable income and that parents are supported to provide safe, warm homes where children have resources that will help them play, learn and develop. It means parents being supported to develop stable, responsive, nurturing relationships with their children that enable them to fulfil their potential, and to provide opportunities for their children to explore and engage in the world around them. And it means both children and families can access any help or support they need within their community. Fulfilling this vision will not only mean our youngest citizens can enjoy a great childhood but would mean they are enabled to flourish throughout their lives.

To achieve this vision, every family with a baby requires the following:

- **Support to live free of poverty:** All families, from conception right through early childhood, must have a stable, secure and adequate income that will allow parents to pay for the goods, experiences and opportunities that children need.
- Networks of support: Parents must have access to support within their community, including friends and family, parent support groups or local service providers.
- Good parental mental health; which in turn supports infant mental health.
- Time to play and interact; and information and support on how to best facilitate this.



Parent in Scotland, August 2023



Parent in Scotland, August 2023

66 Mum guilt is so hard anyway, but not being able to afford to do things with them makes me feel horrible. I never want to have to say, 'I can't afford it.'

Parent in Scotland, August 2023

The scale of poverty in families with a baby

Babies in poverty: a measure of injustice and moral failure in Scotland

- In Scotland, **34% of families where the youngest child is under one are living in poverty** (Scottish Government, 2021),⁵ or **over 1 in 3**. The rate of poverty is significantly higher than the national average where 1 in 4 children (24%) are living in poverty (Scottish Government, 2023a).
- 30% of families with a baby under one are living in absolute poverty, and 13% are in combined low income and material deprivation (Scottish Government, 2021).
- In families with a baby under one, 25% also have a mother under 25 years old, 27% are lone parent household, and 30% also live in a household with a disabled family member (Scottish Government, 2023b).⁶

These are not just numbers, poverty in the early years has a real impact

- Public Health Scotland's early development statistics from 2021–22 show that, in children who had a 13–15-month development review, 13% of those living in the most deprived areas (SIMD quintile 1) had a development concern recorded, compared to only 9% of children living in the least deprived areas (SIMD quintile 5) (Public Health Scotland, 2023).
- By the time a child reaches 27–30 months, the proportion of children from the most deprived areas recorded as having a development concern (26%) is more than twice that of children living in the least deprived areas (11%).
- The trend of children already falling behind before they enter formal education is evident. For children in Scotland in primary one, the percentage point gap between children living in the most and least deprived areas who achieved expected early levels of literacy is 20.5% (Scottish Government, 2022b). There is a similar gap for writing (19.1%), reading (17.7%) and numeracy (15.1%).
- Even before the onset of the cost-of-living crisis which has seen food prices skyrocket, families with a baby were most likely to be food insecure (Scottish Government, 2021).
- They are also more likely to have unmanageable debt compared to all households (Scottish Government, 2022b).
- JRF's Poverty in Scotland 2022 report showed that 4 in 5 parents with babies suffered a decline in their mental health due to the cost-of-living crisis.

⁵ Due to sample data collection issues caused by the Covid-19 pandemic, we follow the Scottish Government's recommendation of referring to the official statistics on child poverty in priority groups from the period 2017–2020. Further, the actual number of families with a baby living in poverty is unknown due to the data set being too small.

⁶ These figures relate to children in relative poverty after housing costs.

Why the first year is so important

The impact of poverty on early development in infancy can determine a child's outcomes throughout their life (Growing up in Scotland, 2010). This is because evidence shows that early childhood (pregnancy to age two, often referred to as the 'first 1001 days') is critical in laying the foundations for a child's future health, wellbeing, learning and earning potential (Parent–Infant Foundation), with the child's first 12 months being a key part of this stage. **During early childhood, a child's mental and physical abilities develop at an astounding rate and form the building blocks that will support all future growth and development. By age two, the brain grows to about 83% of its adult size (Knickmeyer et al., 2008).**

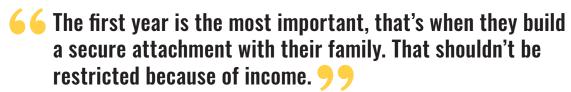
Studies in the UK and internationally show that when a baby's development falls behind during the first year of life, without additional support, it is much more likely to fall even further behind in subsequent years than to catch up with those who have had a better start. **That is why it is so crucially important that babies get the right start in the earliest stages of life and are never left to fall behind.**

Evidence also tells us that the earliest years are crucial for creating 'secure attachment' between a baby and their main caregiver. Secure attachment is the attachment style which evidence shows best promotes positive outcomes for the child, including a love of learning, a comfortable sense of self, and positive social skills (Centre on the Developing Child, 2004). Facilitated by their attachment to their main caregiver, the first year of a baby's life is when their brain starts to develop skills that are foundational, in that they are vital precursors to learning all the other essential skills the child needs to thrive throughout their life.

In the first nine months, the most important skills a baby will begin to learn are foundational social and emotional skills. Babies develop these foundational social and emotional skills through their attachment and communication with their main caregiver. Developing social and emotional skills is vital for a baby because they can only go on to fully develop their higher cognitive skills – like literacy, numeracy, and problem-solving – if their social and emotional foundations are in place. Given that the development of these critical skills requires forming a secure attachment to their main caregiver, it is important that babies form a secure attachment to their main caregiver and that the main caregiver is able to support the baby in forming this attachment.

Early experiences have a decisive impact on whether these social and emotional foundations are weak or strong, which in turn has a decisive impact on future life-chances. There is significant evidence from various sectors including education, health, justice and economic experts that if strong foundations are laid in the early years, this can have positive impacts throughout adolescence and adulthood, and even gives the next generation a better start (Early Intervention Foundation). As we will come on to explain, despite parents' best efforts, poverty can act to prevent babies getting the social interaction and material goods they need to reach their full potential. Poverty oppresses the space for these positive interactions to take place. This is why it is vital we are successful in reducing poverty in infancy and the early years.

Impacts of poverty on babies under one



Parent in Scotland, August 2023

A lack of financial resources available to parents can have profound impacts on families with young children. These impacts can be direct; not having enough money to provide essentials such as food, clothing and warmth. They can also be indirect, through creating parental stress, depression and conflict between parents, which can affect the care parents can provide.

The impacts of poverty on a child of any age can be profound but are most acute and lasting when experienced in the earliest stages. This is because, as explained in the previous section, brain development is rapid and critical in these early years.

Poverty works to hamper a baby's well-being and development through creating, (1) a lack of material goods and resources, and (2) by reducing the quality of their home environment. Both these issues are often interlinked. For example, parents have told us how, in addition to the impact of material deprivation itself, not being able to afford the things they need to give their baby the best start in life causes them stress and anxiety, which contributes to a poorer-quality home environment (Save the Children, 2022).

Lack of resources

Food insecurity

Families with a baby are most likely to be food insecure (Scottish Government, 2021). This has likely been exacerbated by exorbitant rises in the cost of food and can have wider impacts for the health and wellbeing of other children in the household.

We know that parents will always put their children first, which is why evidence abounds of parents overlooking their own needs to provide the basics for their children. This includes skipping meals which will make it harder for some women to breastfeed (First Steps Nutrition Trust, 2022). The current cost-of-living crisis is creating such desperate financial hardship that cutting back on food or using foodbanks (which may not provide the more nutritious foods like fresh fruit and vegetables), will not prevent families from running out of money.



Parent in Scotland, February 2023

Health

Being born into poverty is strongly associated with experiencing a wide range of health problems throughout life, including poor nutrition, chronic disease and poor mental health (NHS Scotland). In 2010, The Marmot Review emphasised the importance of giving every child the best start in life to reduce health inequalities across the life course (Marmot, 2010).

66 I don't buy healthier snacks; they are too expensive.

Parent in Scotland, August 2023

Parental mental health is also vital in ensuring the wellbeing and development of their baby. So, it is shocking that recent polling by Save the Children and Opium found that over 4 in 5 (82%) of Scottish parents are worried about their current financial situation, and 7 in 10 (71%) felt that worries about their financial situation had negatively impacted their mental health or wellbeing.⁷ Among parents with a child aged 0–12 months, 4 in 10 (40%) report feeling more stress and anxiety than in most times in their life, as well as 68% saying they are more worried about money than at any prior point in their life.

Beyond financial worries, evidence shows that to support parental mental health, it is important parents have access to a wide range of trusted sources of support. Parents with smaller support networks are more likely to feel lonely and loneliness is associated with poorer mental (as well as physical) health outcomes (Mushtaq et al., 2014). Studies indicate that parents who access formal types of peer support, like parenting programmes, are less likely to report high levels of stress (Barlow and Cohen, 2017). Our polling showed that 42% of parents expecting a baby and 32% of parents with a child aged 0–12 months felt they did not have access to the mental health support they felt they needed for themselves and their families.

Fuel costs

The exorbitant rises in the price of gas and electricity have left many low-income families with children simply unable to use appliances or heat their homes.



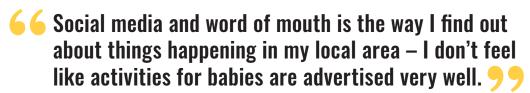
Parent in Scotland, 2022

Not being able to afford to adequately heat the home significantly increases the chance of damp and mould developing, and mould is especially dangerous for developing lungs and may lead to allergies and asthma. Parents have told us how stressful it feels to watch bills continually rise and to not know what the future holds. The cost-of-living crisis is subjecting a wave of babies not only to the harmful effects of relative poverty, but absolute poverty.⁸

⁷ For further information about the results from this polling, please contact s.murning@savethechildren.org.uk.

⁸ Absolute poverty is defined by the Scottish Government as individuals living in households whose equivalised income is below 60% of inflation adjusted UK median income in 2010/11. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms.

The home learning environment



Parent in Scotland, August 2023

Education Scotland defines the home learning environment as "the combination of everything you and your family do and the spaces your child has access to that affect your child's development and learning" (Education Scotland, 2023). It consists of many things including physical resources such as books and toys; the quality of housing and the physical environment of the home; the community in which the family lives (which includes transport, safety, outdoor and play spaces), knowledge the parent has access to, and parental confidence. The home learning environment plays a defining role in allowing a baby to develop the right cognitive, emotional and social skills they need in early childhood and throughout life. The home learning environment can impact a baby in many ways, as detailed below.

66 It's not fair on babies who have to miss out. It impacts their development, and I noticed a real difference in my child during Covid.

Parent in Scotland, August 2023

Interaction with primary caregiver

The relationship between a parent or carer and a young child is one of the most important influences on early childhood development and lays the foundations for lifelong social, emotional development and learning. In order to thrive, babies require the nurture and love of (at least) their main caregiver, cognitive stimulation and verbal and physical interactions. The strongest components of a high-quality home environment have been identified as one-to-one structured parent-child interactions centred around books or joint play (Sylva et al., 2004) and parent-child verbal interactions and play during daily routines (Tamis-LeMonda, 2004).



Parent in Scotland, February 2023

Stress in mothers with a young baby is becoming an increasingly significant issue. JRF's survey on 'Poverty in Scotland 2022' found that 4 in 5 families with a baby have reported their mental health had worsened as a result of increased financial strains caused by the cost-of-living crisis (Joseph Rowntree Foundation, 2022). We can expect and are concerned about a knock-on effect on their babies' wellbeing and development.

Play and early learning

Play and the quantity of available age-appropriate learning materials, especially books, is significant for children's early learning and development (Evans et al., 2010). Studies show that poverty makes it harder for families to provide stimulating experiences and materials, meaning children in poverty often grow up in resource-poor households (Joseph Rowntree Foundation, 2013). Parents are less able to pay for toys, books, activities and trips, and to provide access to safe spaces to play and learn that a child's better-off peers enjoy.



66 Why do you have to be minted to take your baby swimming?



Parent in Scotland, August 2023

Future life chances and educational attainment

It is critical to recognise that Scotland's attainment gap between lower-income and higherincome pupils in both primary and secondary school stems from inequalities in the early years, including infancy. If children fall behind in the early years it can make it more likely that, without support, they will gradually fall further behind as they get older.

Poorer development outcomes in the early years can mean children struggling to achieve in school. Thus, since poverty impacts development, it can consequently create conditions that could lead to the child falling behind their better-off peers even before they enter formal education. By the time children start school, those from low-income families in the UK are already up to a year behind middle-income children in cognitive skills, while the gap between the poorest and most advantaged tenth of children is as much as 19 months (Waldfogel and Washbrook, 2011). Without support, many children will struggle to ever catch up. School attainment then impacts their employment prospects and earning potential (The Health Foundation, 2023).

If Scotland wants to sustainably reduce child poverty and ensure that children today do not become adults in poverty in the future, then it is vital that we prevent babies and young children from experiencing poverty and invest further in the earliest years.

66 If it wasn't for Home Start, I don't know where my child would be. I don't think she'd even be able to look at someone. I never thought my child would be the social butterfly that she is now. If it wasn't for this group, she wouldn't have flourished.

Parent in Scotland, August 2023

66 You can see the difference in their development when they've gone to nursery early. It shouldn't be mandatory, but it should at least be offered."

Parent in Scotland, August 2023

The benefits of early intervention

The Early Intervention Foundation defines early intervention as identifying and providing effective early support to children who are at risk of poor outcomes. As we show in the next section, having a baby under one is a significant risk factor for falling into poverty. Early intervention for babies works best when it prevents developmental problems from ever occurring, and this must be achieved across multiple forms of support.

For example, if a single mother with a young baby feels it is best for her baby that she stays home to care for them, she will require adequate social security support to prevent experiencing the kind of economic stress that can transfer to the baby to pay for things like stimulating play opportunities, activities and experiences. She may also require community-based support in the form of additional home visits so she can build her confidence and knowledge on how best to support her baby's development. With this holistic-style support, her baby can develop fully. Not falling behind in the earliest years can prevent the poorer outcomes that the child might otherwise have experienced, like lower educational attainment. Addressing the negative impacts of child poverty, such as the poverty-related educational attainment gap, is more difficult and expensive in the long term than preventing the root causes, which often begin in the earliest stages of a child's life.

Investing in children in the early years not only has the most significant impacts on children's outcomes compared to intervention at later stages, but the benefits to children, as well as parents, have enormous potential for a return on investment. A robust study from the US found that investing in comprehensive, high-quality birth-to-five early education and childcare can see a return on investment of 13% (Heckman, 2013). The return on investment comprises things like the increases in parental income when they have greater capacity to work, savings due to the greater life-long health outcomes of the child, and through increases in the child's future productivity and earning potential. UK evidence demonstrates similar returns to society and the wider economy (Masters et al., 2017). Plus, a recent report from Save the Children, IPPR and the Joseph Rowntree Foundation shows how successive UK and Scottish governments' failure to eradicate poverty is costing the economy up to £2.4 billion a year, leaving the nation worse off than if we ensured everyone had an adequate income (Save the Children, IPPR and Joseph Rowntree Foundation, 2023).

The benefits to both children and wider society are already known to the Scottish Government who, from 2009 when they published their Early Years Framework (Scottish Government, 2009), focused their efforts on trying to achieve transformational change for the youngest children in Scotland. The framework opens with the lines, "It is during our very earliest years and even pre-birth that a large part of the pattern for our future adult life is set. The early years are therefore a key opportunity to shape a Scotland of the future which is smarter, healthier, safer and stronger, wealthier and fairer and greener." More than a decade on from the 'transformational change' promised in the Framework, over a third of families with babies are in poverty and children from the most deprived areas are still more than twice as likely than those living in the least deprived areas to experience development delays. **Progress has been made but appears fragile and slow – baby steps compared to the confident strides we need to make.**

⁹ It is important to note that, while early intervention is most effective in the early years, evidence shows that effective early intervention at any stage in a child's life is beneficial (Early Intervention Foundation).

Why families with a baby are more likely to experience poverty and analysis of what is being done to support incomes

66 You need certain finances to get the kids to school, you need certain finances to get the baby to nursery, you need certain finances to get to work and back, you need all these things, you need financial support in a big way to be able to do the things you need to do for your children's education and health. That's the big thing and without that, you can't really do anything.

Parent in Scotland, 2022

Low-income families with a baby face the same struggles as other low-income families, such as low-pay, insufficient income from social security, and the high cost of living. However, these challenges often interact with the specific circumstances of families with a baby to create more complex challenges. To identify how policy interventions can best support low-income families with a baby, it is important to understand the structural issues which persist in pulling too many of these families into poverty.

This section looks at the reasons why families with a baby are more likely to experience poverty, considers the most significant actions being taken by the Scottish Government to mitigate against these vulnerabilities, and provides analysis on whether these actions are sufficient to meet the challenge of poverty in households with a baby.

Since the passing of the Child Poverty (Scotland) Act (2017), the Scottish Government has introduced a number of policies aimed at driving down child poverty rates. Given the greater risk families with a baby face of falling into poverty, it is welcome that many of these policies have prioritised young children and the early years by targeting financial and other forms of support to the youngest families. As this section discusses, such policies have had a positive impact on young children in low-income families.

However, we conclude that because child poverty rates in families with a baby are so high, and since costs are continuing to outstrip the support available, there is more the Scottish Government must do to protect young children from the impacts of poverty. Our recommendations, in the final section, focus on the policies that would make the biggest difference to young children in poverty.

Income from employment and maternity pay/allowance

What is the problem

Employment plays a key role in boosting incomes and protecting families from the impacts of poverty. But for most families with a baby, their income is significantly reduced due to parental leave or re-adjustment of working patterns (Scottish Government, 2023c). This is the primary reason such households are more likely to be living in poverty, whether in a couple or single parent household.

Statutory maternity pay and maternity allowance do not provide an adequate income. While statutory maternity leave is fifty-two weeks, statutory maternity pay is only available for thirty-nine weeks (Scottish Government, 2023c). Many mothers feel that this does not allow them to spend enough time with their baby without forgoing much-needed extra income from employment. In addition, insecure and unpredictable work can affect women's entitlement to, and take-up of, Statutory Maternity Pay and Maternity Allowance (Scottish Government, 2023c). These are just some of the issues with maternity pay and allowance which disadvantage babies from low-income households.

66 I found having my first child really hard. I was employed but it wasn't a great environment – there was no option to move so I had to take early maternity. By the time when she was 6 months old, I was on no pay. I ended up quitting my job. I simply couldn't survive on maternity pay.

Parent in Scotland, August 2023

It is important to note that 82% of low-income household with a baby receive income from employment (Scottish Government, 2023b), indicating that low pay is contributing to the poverty rate in such households. Mothers with a baby under one on a low-income tend to have a lower hourly income, an average of £7.96 per hour, compared to all low-income families who earn an average of £8.20 per hour (Scottish Government, 2022b). Families in relative poverty where the mother is under twenty-five, which make up a quarter of all families with a baby under one in relative poverty, earn on average just £7.06 per hour. Many mothers with babies also choose to work part-time so they can spend more time with their child, further reducing their income (Scottish Government, 2019).

When mothers living on a low-income with a baby seek to return to work, they face pronounced labour-market barriers which prevent them from moving out of poverty. This is the case not only in terms of low pay, but through a structural inflexibility which typically does not accommodate a mother's role as the primary caregiver. When a mother with a baby is seeking paid work, the most common reason they remain unemployed is an inability to find a suitable job, particularly a part-time job (Scottish Government, 2019).

66 At some point in the future I would like to have a career instead of just having whatever wee job fits in around the children. I just don't know how I could do that just now.

Parent in Scotland, February 2023

Evidence from parents we work with shows that some have encountered employers who were unwilling to schedule shifts around their caring responsibilities. This inflexibility is especially common in low-paid sectors and disadvantages mothers, since women disproportionately work in low-paid sectors. It also disproportionately disadvantages those with the greatest caring responsibilities, including parents with a baby and single parents. One parent we work with even described how an employer refused to hire her because she was a single mother and therefore had significant caring responsibilities. Parents shared with us their frustration that most flexible jobs and jobs which allow a person to work from home require qualifications which they feel unable to pursue.

Parents, particularly mothers, also struggle getting back into work because of the limited availability of affordable and suitable childcare for younger children (Scottish Government, 2019). This is especially problematic for parents working non-standard hours and for single parents who are often their child's sole carer (Scottish Government, 2023c).

What is being done

While the UK Government holds many policy levers around employment, such as setting the minimum wage, maternity pay and leave, and social security, there are ways the Scottish Government can and does help make up for a lack of or insufficient earnings from employment. In the absence of income from employment, social security plays a vital role in supporting families with young children. The Scottish Child Payment (SCP) is a weekly payment of £25 for every eligible child under sixteen. An interim evaluation of the SCP from July 2022 showed that, while the payment was not enough to completely transform family finances, it reduces pressures on household budgets and is used to pay for a variety of things like nappies, treats, toys, food and outings (Scottish Government, 2022c). Up to March 2022, 23% of those who had their SCP applications approved were applicants who reported having a child aged under one, meaning we know the payment is having a positive impact on families with a baby (Scottish Government, 2022c). Scottish family benefits like the SCP mean a low-income families can be up to over £10,000 better off in Scotland by the time their first child turns six, compared to equivalent families in other parts of the UK (Scottish Government, 2022d).



Parent in Scotland, August 2023

The SCP is doing most of the heavy lifting in terms of reducing child poverty rates. The payment is projected to account for 5% of the reduction in child poverty rates by 2023/24 (measured against 2019/20 rates) (Scottish Government, 2023d). However, recent Scottish Government modelling anticipates that, because of Scottish Government policy interventions, child poverty in Scotland will fall to 19% in 2023/24 (Scottish Government, 2023d), compared to the 2019/20 rate of 26%. This means the Scottish Government will most likely miss the statutory interim target of reducing child poverty to 18% by 2023–24. Last year, in our report with Trussell Trust and IPPR, we warned the Scottish Government that the targets would be missed unless the Scottish Child Payment was increased to £40 (Save the Children, Trussell Trust and IPPR, 2022).

Best Start Grants are a further example of the Scottish Government recognising the additional financial pressures of having a baby and prioritising funding to help in the earliest years. The Pregnancy and Baby Payment, paid in the first year, has the highest value of all three one-off payments which make up the Best Start Grant package. Eligible parents are paid £707.25 to help cover the cost of things like cots, prams, pregnancy and baby clothes or toys.

Best Start Grants and Best Start Foods, including the uprating from April 2023 of 10.1% and the removal of income thresholds from Best Start Foods which brings it in line with eligibility for Best Start Grants, was included in the Scottish Government's 2022 cumulative impact assessment. This impact assessment modeled the impact of child poverty reduction policies against projected child poverty rates by 2023–24, when the interim targets are due to be met (Scottish Government, 2022e). On the certainty of these policies having an impact, the Scottish Government states that "in combination with other support (such as the Scottish Child Payment) it is anticipated to help achieve the targets." While the updated cumulative impact assessment for 2023 indicates that the interim targets will in fact not be met (Scottish Government, 2023d), we can still assume that Best Start Grants and Best Start Foods are having a positive impact on reducing child poverty.

We also know from 2022's impact assessment that 80,000 of the 90,000 children who are expected to be pulled out of poverty by 2023–24 are from priority households (Scottish Government, 2022e). However, there is a data gap in the breakdown of these numbers by family type. We do not know from the cumulative impact assessment (from either 2022 or 2023) the extent to which child poverty rates in households with a baby under one will be reduced. Without clear, robust data, we cannot know to what extent the Scottish Government's policies are achieving their intended impact.

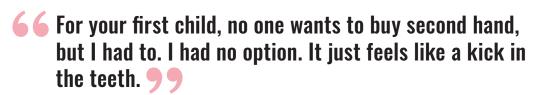
Cost of a baby

What is the problem?



Parent in Scotland, August 2023

There are specific costs which relate to having a baby – particularly when it is the first child – which further increases the risk of new parents falling into poverty. Preceding or within a baby's first 12 months, families often purchase costly essential items such as a cot, a car seat and a pram, on top of the cost of everyday items like nappies. Babies outgrow clothes every three months, and their clothes must be washed and dried more regularly, increasing energy costs. There are costs associated with baby-proofing the home, for activities, and for resources for play that ensure the baby has a rich at-home learning environment. Regular appointments with health professionals may incur travel expenses, especially if the family does not live close to the local GP or hospital and such visits can be more frequent if a child has any additional needs.



Parent in Scotland, August 2023



Parent in Scotland, 2023

The Scottish Government offer a number of gift-in-kind resources which help reduce cost for families. The Baby Box is given free to all newborn babies in Scotland and provides essential items such as clothes, a changing mat and a bath towel. Bookbug is also available to a baby from birth and gifts them with books and resources which support families to read, sing and play together. As noted, Best Start Grants are having a positive impact on families with a baby by helping to pay for essential items. However, with costs continuing to outstrip the support offered, families are still struggling to cover the high cost of having a baby. Therefore, more must be done to help reduce costs even further.

Cost of living

What is the problem?

Compounding existing inequalities, the cost-of-living crisis is now making it even harder for parents to give their babies the start they need in life. High energy costs make things like bathing and feeding babies and heating the home much harder and, for many, impossible. The high cost of energy is especially problematic for babies because they cannot regulate their temperature and require spaces to be warmer than required for older children or adults. Rising inflation is impacting essential goods like food, nappies, transport and childcare. Food inflation is significantly higher than the overall rate of inflation. The price of the cheapest infant formula increased 45% from January 2020 to April 2023 (First Steps Nutrition Trust, 2023), vastly outstripping increases in social security payments.



Parent in Scotland, August 2023

66 My weekly shop has went from £30 to £60. I have an autistic son with specific needs, the cost of Halal diet is going up, electricity is going up. I'm pregnant and don't know how I'll cope when the other one comes.

Parent in Scotland, February 2023

¹⁰ See a 2022 Save the Children briefing for more information on the impacts of the cost-of-living crisis on low-income families in Scotland: https://www.savethechildren.org.uk/content/dam/gb/reports/briefing-august-costofliving.pdf.

What is being done?

As part of the Scottish Government's offer to families with young children (which includes previously mentioned policies designed to help with the cost-of-living, including Best Start Grants), Best Start Foods are offered to eligible mothers from pregnancy until their child turns three to help them buy healthy foods like milk or fruit. An impact assessment of Best Start Foods showed that the payment has helped to reduce financial pressure on households. The evaluation also showed that it helps parents to buy a greater quantity and quality of healthy foods (Scottish Government, 2022f). Despite this welcome help, and the inflationary rise of 10.1% from April 2023, families are still struggling to pay for food and turning to other sources of help such as food banks and baby banks. Further, in the period from April 2020 to June 2021, almost 1 in 4 eligible families were not receiving Best Start Food payments (Scottish Government, 2022f).

To help low-income families struggling with the rising cost of energy, the Scottish Government tripled the Fuel Insecurity Fund in 2023, which is now worth £30 million for 2023/24. While this will provide some relief to some households who are at risk of self-disconnection or self-rationing their energy use, too many families are still finding it impossible to manage their sky-high energy bills, often forcing them to take on mounting debt and fall into arrears.

Parents we have been speaking to throughout the cost-of-living crisis have told us that being unable to afford their energy bills is currently their biggest concern and is leaving many parents unable to make ends meet (Save the Children, 2022). The scale of the financial difficulties families are facing greatly outstrips the financial assistance offered by the Scottish Government.

66 My youngest suffers really badly from asthma and see the minute there's a bit of cold air, he can't breathe... So it doesn't matter how much money I've got, I just have to find the money to have the heating on and if that means we have to go without other things. [...] It's things you would've classed as essential before.

Parent in Scotland, 2022

Funded early learning and childcare

What is the problem and what is being done

Good quality, well-funded early learning and childcare (ELC) can both prevent poverty, by helping parents into work, training or encouraging them to take up studies, as well as reduce the impacts of poverty on children by providing learning and development opportunities. While many parents will legitimately choose to stay at home with their baby in the first year and beyond, it is important that good quality, affordable, accessible childcare is available for families with young children to support opportunities to work, study or train and ELC is a key element of the Scottish Government's wider child poverty strategy. That is why we welcome the Scottish Government's significant commitments around funded childcare provision, particularly the rollout of early learning and childcare to all 3- and 4-year-olds, who are entitled to 1,140 hours per year. We also welcome the extension of this scheme to two-year-olds in families qualifying as living on a low income.

However, there is a gap in provision of funded ELC between the time when maternity pay ends and a child turns two, significantly constraining employment options for parents with a younger baby. The Scottish Government's strategic childcare plan for 2022–26 sets out their ambition to develop a funded early learning and childcare offer for 1- and 2-year-olds, focusing on those who need it

most (Scottish Government, 2022g). This ambition was reaffirmed in the publication of the First Minister's vision for Scotland and the outcomes he and his government aim to achieve by 2026 (Scottish Government, 2023e). We encourage the Scottish Government to accelerate the progress of this offer so children can benefit as early as possible. Lessons around the issues parents face with the existing ELC funded offer must be learnt and parents with a young child must be properly consulted to ensure the offer works for them.

66 There's so much conflicting information from Universal Credit. We had been paying in full for nursery, and I was struggling physically with a disability, but all the time we could have been accessing help and claiming 85% on the costs. We didn't get that money back.

Parent in Scotland, August 2023

The high cost of childcare presents one of the most significant financial challenges for parents with babies who wish to return to work. Among families with babies surveyed by the Scottish Government in 2019, 27% said they could not work because they could not earn enough to pay for childcare (Scottish Government, 2019). For those who do work, their increased income is likely swallowed by high childcare fees (Save the Children and JRF, 2022). Many parents even find that they would be worse off if their working hours required full-time childcare (CPAG, 2022).

Summary: is enough being done?

Good progress has been made to increase financial support for families on lower incomes, along with support to reduce the cost of essentials for babies and their families. However, given that 34% of families with a baby under one in Scotland are living in relative poverty, and 30% are living in absolute poverty - one of the highest rates for any family type - it is clear that not enough action has yet been taken to support families with babies and, given the limited window to get the first twelve months right for a baby, action is not happening quickly enough.

Early intervention works best when it is targeted (Early Intervention Foundation). To achieve better outcomes for families with a baby, the design and implementation of child poverty reduction policies must identify the particular needs of these families and reflect the unique barriers they face. The Scottish Government's own Evaluation Strategy, though, finds there is a lack of targeted intervention for priority families, including low-income families with a baby (Scottish Government, 2022h). The importance of intersectionality between different priority groups must be remembered when considering interventions.

While significant progress has been made on increasing social security levels, a vital aspect of poverty reduction, further social security investment will be needed given the depth of poverty that many families with a baby experience. Further, progress has stalled in other key areas which parents with a baby have identified as presenting barriers to moving out of poverty, such as mental health support, childcare and well-paid, flexible employment. We will only meet the 2030 child poverty targets, and significantly and sustainably reduce poverty in households with a baby, if further and faster action is taken across all key drivers of child poverty.

Recommendations

We believe there is a compelling case for an ambitious plan to prevent babies and young children experiencing poverty. Action to sustainably reduce child poverty targeting the youngest children must include increasing incomes from social security; removing barriers to decent, flexible employment; universal and targeted person-centred support (including maternal and infant mental health support) and reducing the spiraling costs of living. The Scottish Government must also be clearer on how their wider agenda to reduce child poverty rates is improving outcomes for families with a baby under one.

There is much scope for Scotland to implement bold and ambitious investment and reform in how it tackles poverty in the early years; not only because action in the early years has the greatest potential to positively impact a child's life-chances, but because it also has the greatest return on investment for public finances (Masters et al., 2017).

Below we set out a series of recommendations for the Scottish Government on how it could further support increasing incomes for families with babies. We believe these actions could be delivered as part of a more comprehensive early childhood strategy that not only reduces poverty but also supports parents to create a good home learning environment.

Key targeted actions to reduce poverty rate for babies under one

1

Given the importance of the first year of a baby's life in defining future outcomes, the Scottish Government must deliver a strategic approach across early years, social security and fair work portfolios to reduce child poverty in households with a baby under one.

From conversations with parents and partner organisations across Scotland, we suggest that the substantive policies developed through an improved strategic approach to families with a baby and cross-portfolio working should include considering the following measures:

- Initiate a strategic pivot towards focusing investment on the early years, especially in families with a baby under one, as a matter of urgency.
- Review its current Child Poverty Delivery Plan to ensure it is maximising progress and action towards families with babies.
- Prioritise families with babies in future Child Poverty Plans to ensure actions lead to significant reduction in poverty for this group.
- Ensure the design and implementation of child poverty reduction policies must identify the distinct needs of these families, **through listening to and learning from parents and children**, and reflect the unique barriers they face. Policies must also account for the fact that families with a baby under one often fall into multiple priority family types.



Every new baby in Scotland should be able to grow up in a home where there is enough money to make sure that baby has the best start in life.

The Scottish Government should:

- Increase the SCP to £40 for all families.
- Explore using one of the Scottish Family Benefits, such as Best Start Grants or the SCP, as a targeted measure to increase the income of all low-income families with a baby. This could

be through a targeted premium on the SCP for families with a baby under one or another similar mechanism.

- Consider how best to target families with babies who experience the deepest levels of poverty.
 As 25% of households with a baby under one also have a mother under 25, thus are more likely
 to experience deeper levels of poverty due to additional disadvantages, this could take the form
 of implementing One Parent Families Scotland's call to mitigate Universal Credit's 'Young Parent
 Penalty' through a top-up of the SCP (One Parent Families Scotland, 2023). This would bring the
 household's total award in line with comparable families with older parents.
- Commit to working towards a minimum income guarantee for families with babies (and young children).

3

Ensure families can make the best choices to enable them to balance caring for their baby and employment.

Striking a balance between care and work is increasingly important for many families and can be a way out of poverty. Help to ensure families can make the choices they think are right for their family and are supported in that choice requires action from both Government and employers.

The Scottish Government should:

- Commit to expanding the early learning and childcare offer to cover the period after maternity pay/allowance ends to allow mothers to return to work if they decide this is best for their baby and family.
- Increase the availability of high-quality, flexible childcare that meets the distinct needs of parents with a baby.
- Work with employers to develop and encourage robust flexible working policies to help parents of a young baby balance employment with their caring responsibilities.
- Increase opportunities for, and uptake of, training programmes for parents which are designed around the needs of parents with a baby. This would increase parents' access to better quality, higher paid employment.
- Ensure the provision of holistic support and advice, from sources trusted by parents, around employment, training and education options.



Progress action on investing in and scaling up community-based services that combine financial support with practical and emotional family support that meets the need of all family types.

The Scottish Government should:

- Ensure child health and development reviews form the basis of timely support for babies and young children and their families.
- Invest in rolling out community-based family support that joins up financial support including support to access benefits and employment – support and advice on accessing childcare, and holistic practical and emotional family support.
- Tailor family support for families with a baby, especially families with additional complexities such as single parent families or families where a parent is under 25. This could include exploring how the Family Nurse Partnership approach should be extended to support more low-income families.

With the right policy interventions, Scotland can ensure that every child gets the best start in life, and that no child is disadvantaged due to poverty. Investing in young children is not only morally right, but the best way to ensure a brighter future for Scotland's children and wider society.

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