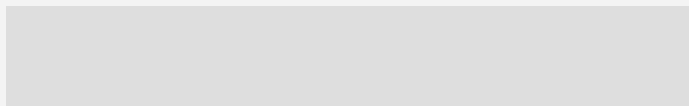


UNDERSTANDING SCOTLAND

ECONOMY TRACKER

August 2025



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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.

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



*Registered Charity Number SC009579

INTRODUCTION

ECONOMY - AUGUST 2025

As Scotland continues to grapple with economic uncertainty, the Understanding Scotland Economy Tracker remains a vital tool for capturing how people are experiencing and interpreting the nation's shifting landscape. This latest wave reveals a public still deeply concerned about the future, but with subtle signs of stabilisation in how current conditions are perceived.

Healthcare and the cost of living continue to dominate public priorities, yet the rise of immigration to third place marks a notable shift in public focus. This steady increase in salience over the past two years reflects evolving social pressures and a reordering of national concerns.

While pessimism about the future remains entrenched - seven in ten expect general economic conditions to worsen - fewer Scots now report that their personal or national financial circumstances have deteriorated in the past year. This marginal improvement, however, is tempered by the persistence of cost-cutting behaviours and the growing emotional toll of financial stress. Reductions in non-essential spending and reported impacts on mental health have both increased since May, underscoring the depth of ongoing strain.

Economic pressures continue to shape everyday choices, particularly around food. Many Scots are adjusting their eating habits to manage rising costs, cutting back on takeaways, prioritising price over health, and in some cases, compromising on nutrition. These behaviours are more visible among households with children and those in more deprived areas, highlighting how financial strain is influencing not just spending, but wellbeing.

Reported saving behaviours reflect both caution and constraint. Many Scots are saving out of anxiety about the economy or job security, while over a third say their income only covers essentials. Younger Scots, in particular, are navigating a mix of ambition and uncertainty, planning for the future while contending with immediate financial pressures.

Taken together, these findings reflect a public continuing to adapt to economic challenges with pragmatism and caution. While some indicators show marginal improvement, concerns remain widespread and deeply felt. As public priorities evolve and financial behaviours shift, the Understanding Scotland Economy Tracker remains a valuable resource for capturing how Scots are responding to the realities of economic life.

UNDERSTANDING SCOTLAND

THE ECONOMY IN 5 POINTS

This edition of Understanding Scotland brings you insights from a representative sample of over 2,000 adults (16+) across Scotland on the most important aspects of our society and economy.



01

HEALTHCARE AND COST OF LIVING CONTINUE TO TOP PUBLIC PRIORITIES

Around half (48%) of Scots see healthcare as one of the top issues facing Scotland, while more than one in three (37%) view the cost of living/inflation as a top concern. Both proportions evidence little change from May, when 49% and 36% said the same. However, since February, the proportion selecting healthcare as a top issue has fallen marginally, while the proportion selecting cost of living has risen slightly, perhaps reflecting recent increases in inflation.

02

CONCERN WITH IMMIGRATION IS RISING

Immigration has emerged as the third most prominent public priority, pulling away from other priorities such as poverty/inequality, the economy, and trust in politics. One in five (21%) select immigration as a top three priority issue for Scotland, up a notable five percentage points since last quarter when 16% selected this as a key issue. This proportion has steadily risen throughout the past two years from just 4% who saw this as a top issue in May 2023 to its current high.

03

PESSIMISM REMAINS WIDESPREAD, ALTHOUGH EVALUATIONS OF CURRENT ECONOMIC CONDITIONS ARE IMPROVING

Two in three (67%) Scots report that they believe that general economic conditions are worse now than 12 months ago, excluding don't knows, down three percentage points from May. Likewise, under half (46%) believe their own personal financial circumstances have worsened, down three percentage points. In contrast, negativity about future general and personal conditions has remained markedly stable over the last quarter with 71% saying they expect general economic conditions to worsen in the next year,

04

IMPACTS OF CONCERNS WITH MONEY MATTERS REMAIN PERVASIVE

About half of Scots have reduced non-essential spending (53%), cut back on leisure activities (51%), or saved less than usual (45%) in the last year as a result of financial concerns. While the proportion citing these behaviours has remained stable since May, the proportion that have reduced non-essential spending is up three percentage points in the last quarter, suggesting widespread and continued effects from economic struggles.

05

MANY STRUGGLE TO SAVE DUE TO LIMITED INCOME, WITH OTHERS SAVING OUT OF ANXIETY

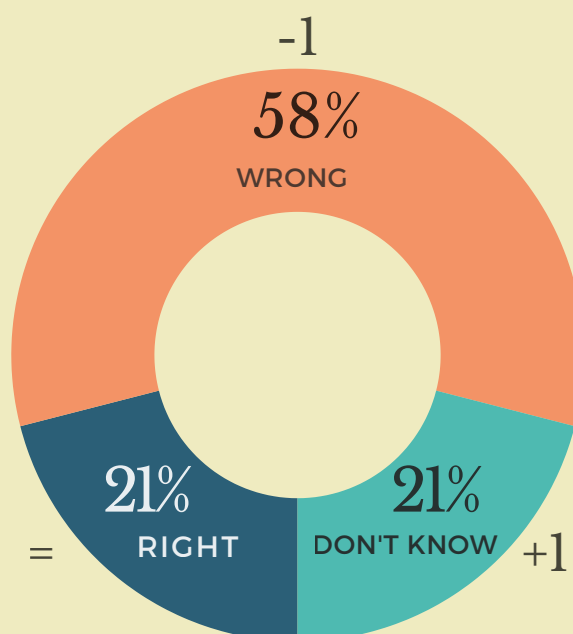
Over a third of Scots (35%) say they struggle to save money because their income only covers essentials. This is the most common saving-related behaviour and reflects the ongoing pressure of current living costs. A quarter (25%) are saving because they are unsure what will happen with the economy, and 10% are saving due to concerns about job or income security.

SCOTLAND'S DIRECTION OF TRAVEL

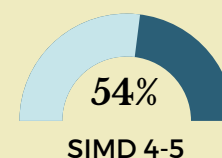
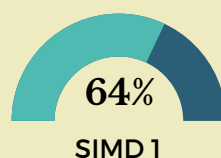
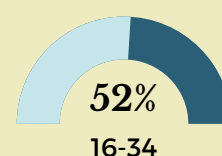
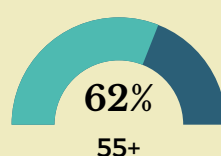
Attitudes towards Scotland's direction of travel have remained markedly stable over the last quarter. Nearly three in five (58%) think things in Scotland are heading in the wrong direction, down a negligible one percentage point, while one in five (21%) think things are heading in the right direction, on par with the last wave. A similar proportion (21%) are uncertain about the direction the country is heading in. Such findings mirror those of the last year.

Large-scale differences in perception of Scotland's direction are seen by social and demographic group. In particular, those in social grade ABC1 (23%) and those in rural areas (26%) are more likely than their counterparts, those in grades C2DE (19%) and those in urban areas (20%), to think Scotland is heading in the right direction. Some demographics are more inclined to reflect negatively on Scotland's direction, including men compared to women (62%; 53%), older ages (55+) compared to the youngest (16-34) (62%; 52%) and those in the most deprived neighbourhoods (SIMD 1) vis-a-vis those in the least (SIMD 4-5) (64%; 54%).

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

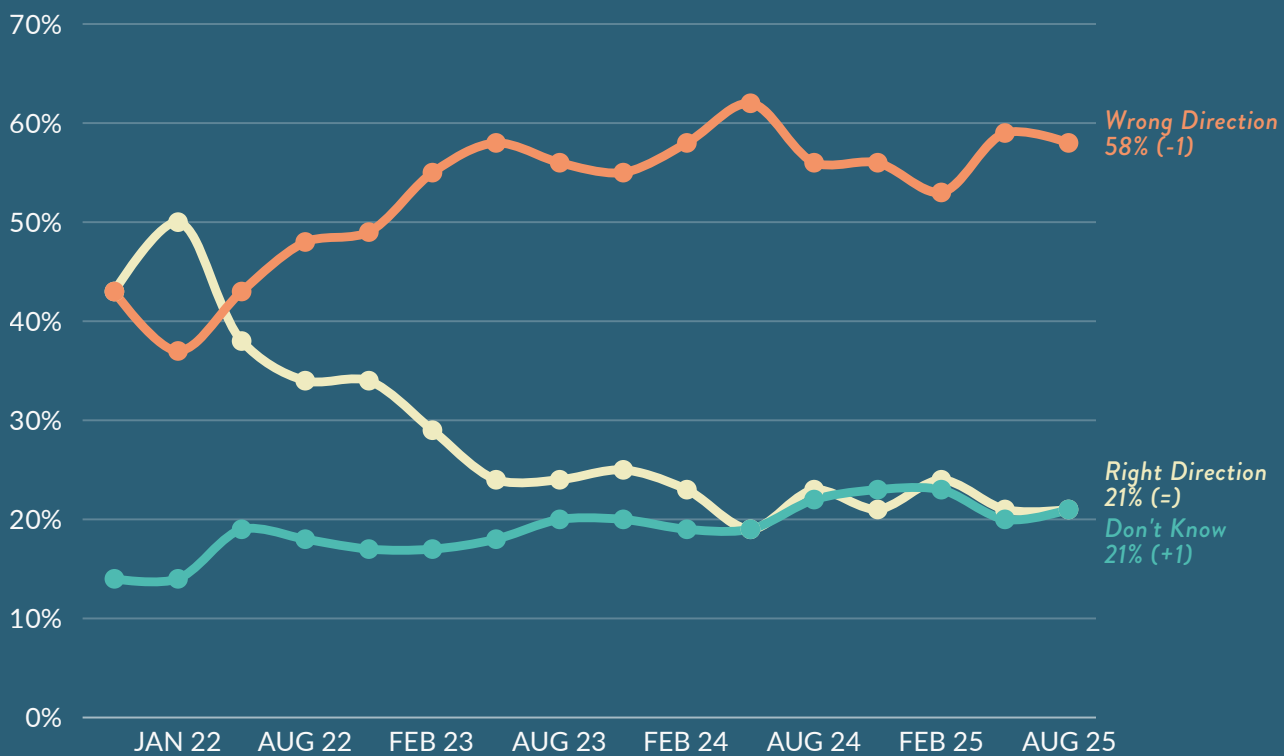


At a glance - 'Wrong direction'



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 May 2025



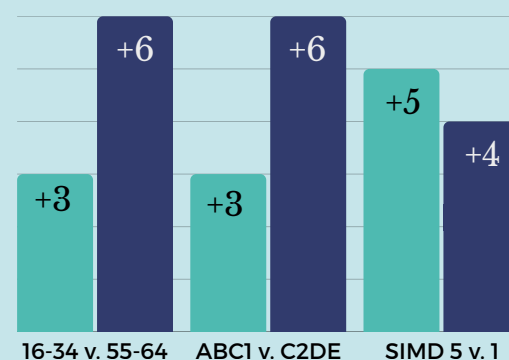
PUBLIC PRIORITIES

Throughout the Understanding Scotland series, healthcare/the NHS has dominated the public's priorities, with about half selecting this as one of the top three most important issues facing Scotland since November 2022. This wave, a similar proportion (48%) report that healthcare is a top issue, with little change from last quarter. Similarly, concern with the cost of living/inflation remains a core public priority, selected by well over one in three (37%), up a mere percentage point from last wave. However, it is important to note that the proportion selecting cost of living/inflation as a key issue has risen slowly over the last six months, perhaps reflecting recent increases in inflation.

Although following healthcare and cost of living at a distance, immigration has emerged as the third most popular public priority. One in five (21%) select immigration as a top three priority issue for Scotland, up a notable five percentage points since last quarter, when 16% selected this as a key issue. This proportion has steadily risen throughout the past two years, from just 4% who saw this as a top issue in May 2023 to its current high.

A range of other issues, including poverty/inequality (18%), the economy (15%), trust in politics (14%), and housing (14%), are identified as top priorities by one in seven or more Scots. However, unlike immigration, the proportion selecting these issues has remained stable since May 2025, with the largest change being a two percentage point increase in the proportion selecting housing as a top issue.

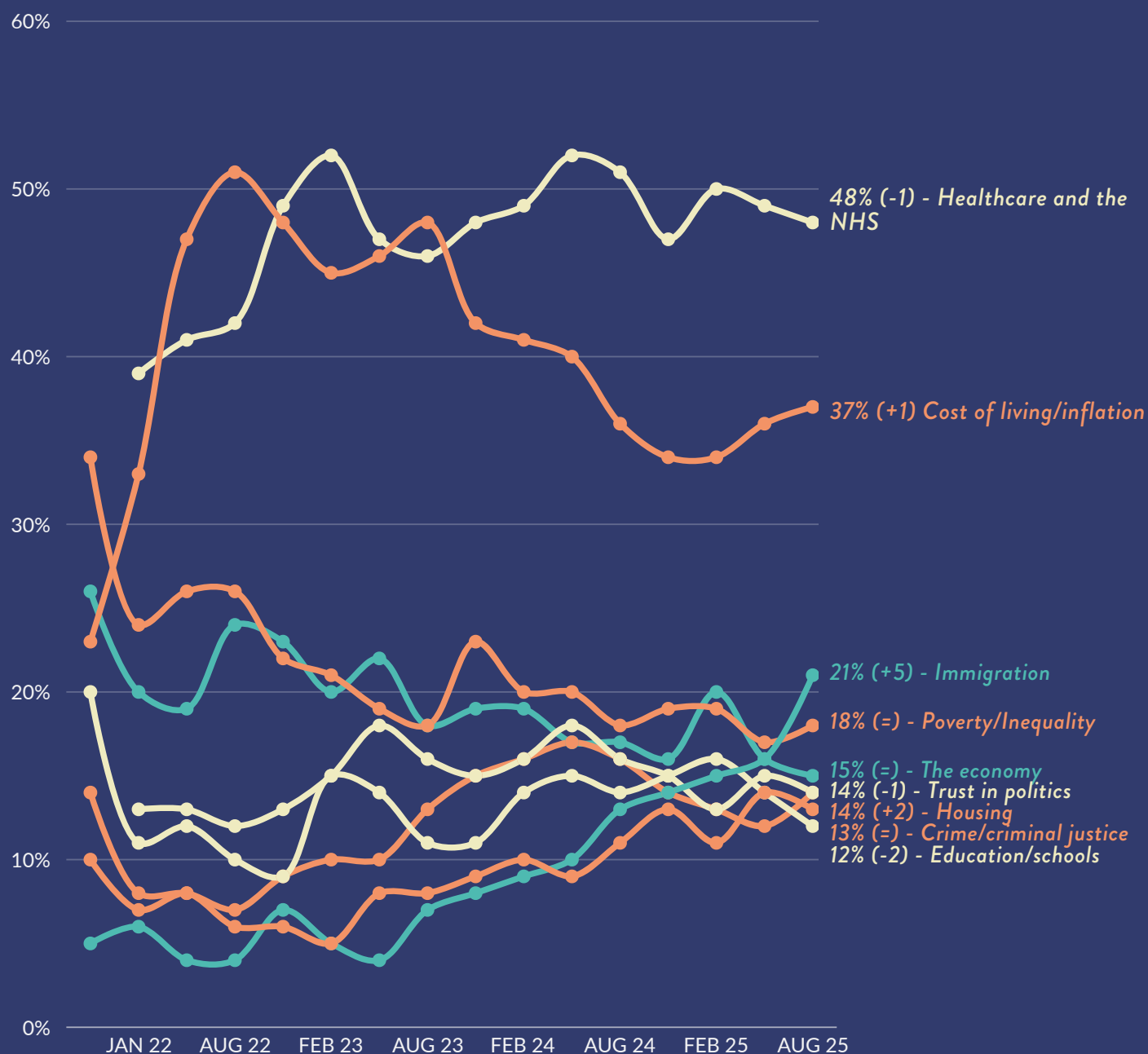
Among top priorities, women (54%) are more likely than men (41%) to select healthcare as a top issue, while those of working age (41%) are more likely to select cost of living than those around retirement age (26%). Crucially, those 55-64, as well as those in lower social grades and more deprived neighbourhoods, are more likely to report that immigration is a top issue, although more individuals are selecting immigration as an issue this wave across demographic groups.



At a glance - Change in those selecting 'Immigration' from May 2025

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 May 2025

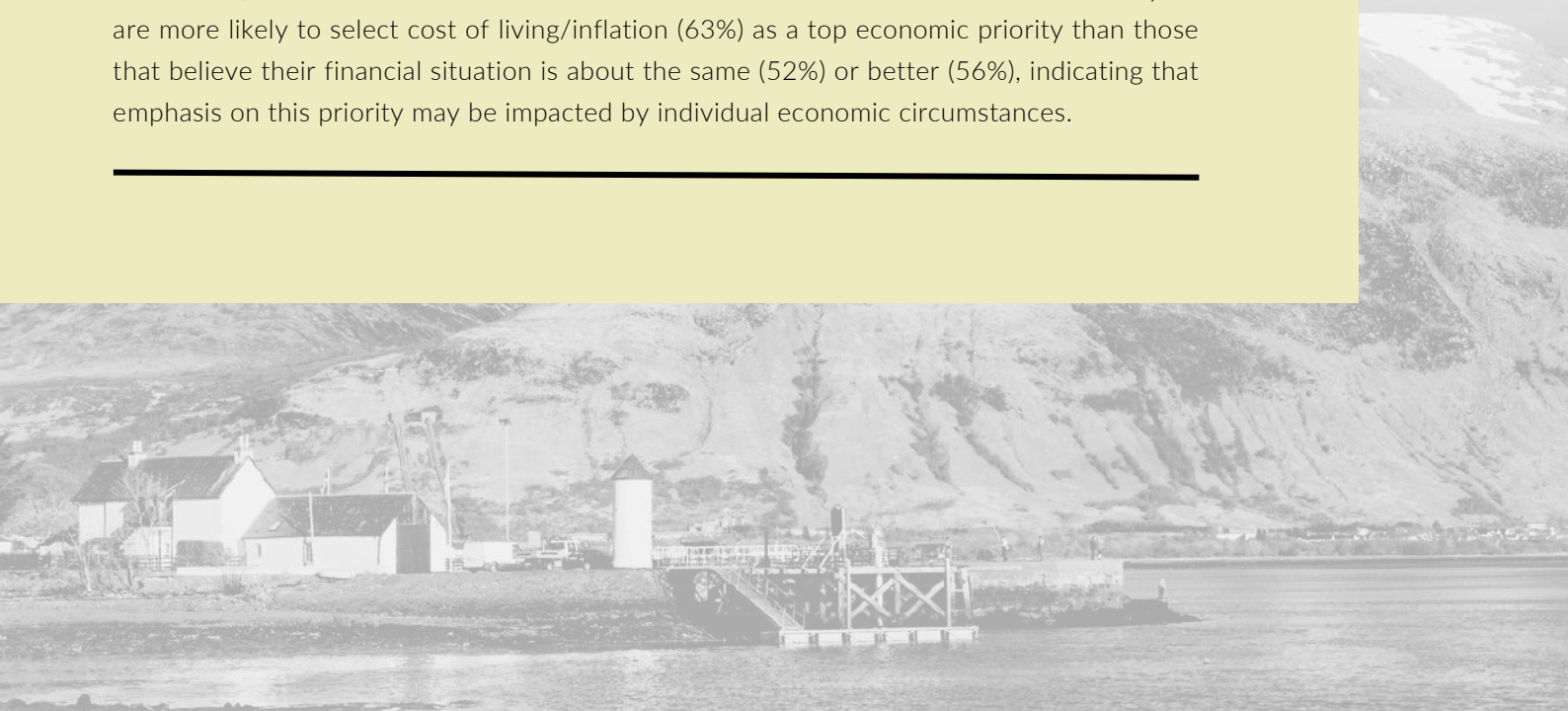
ECONOMIC PRIORITIES

Thinking about economic and financial issues, cost of living/inflation continues to be a core concern for nearly six in ten (57%). This proportion has remained stable over the last year, although down sizably from the 65% or greater recorded throughout much of 2022-23.

The next most prominent issues Scots identify are living standards and wages (33%), lack of spending on public services (32%), managing public finances (28%), and poverty/inequality (27%). Like cost of living, emphasis on these priorities has varied little in the last quarter, with the only notable change being a fall of four percentage points in those selecting poverty/inequality as a top economic and financial issue. At a further distance, emphasis on pensions has seen a small increase in prioritisation since May, up three percentage points to a high of 12%.

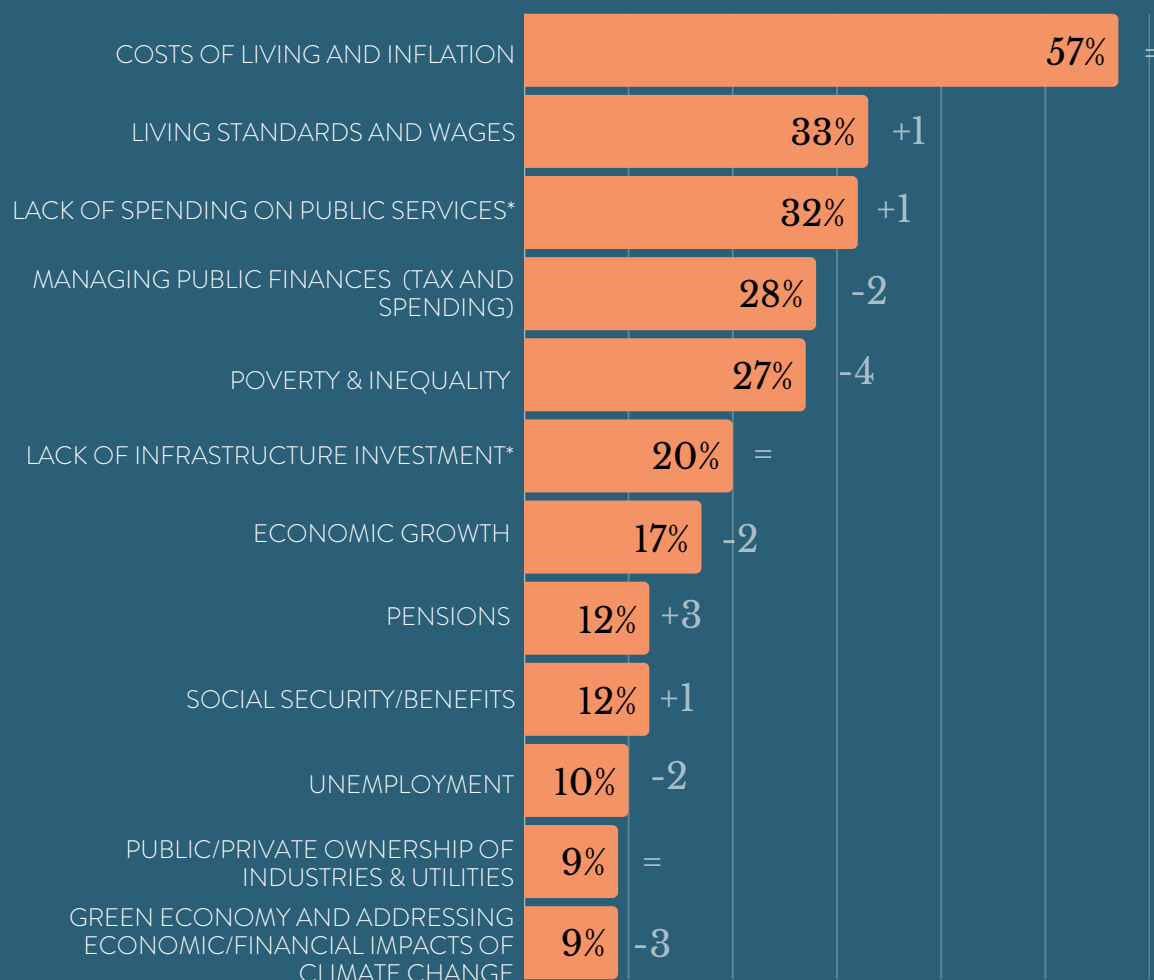
Top economic priorities vary by age. Younger age groups are more likely to see cost of living and living standards/wages as main issues for the Scottish economy, while older age groups are more likely to point to the management of public finances and spending on public services. For instance, two in three (66%) of those 16-44 select cost of living as a top three issue for the Scottish economy compared to half (50%) of those 45+, whereas one in three (36%) of those 35+ see lack of spending on public services as an issue compared to one in five (22%) of those 16-34.

In addition, those that believe their own financial situation has worsened in the last year are more likely to select cost of living/inflation (63%) as a top economic priority than those that believe their financial situation is about the same (52%) or better (56%), indicating that emphasis on this priority may be impacted by individual economic circumstances.



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 May 2025



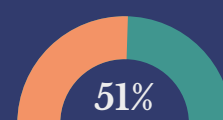
ECONOMIC OUTLOOK

Reflecting on changes to the general economy over the last year, two in three (67%) Scots report that they believe the conditions are worse now, excluding don't knows. While continuing a long-standing trend of pessimism with the general economy, this proportion has fallen three percentage points from May, while the proportion of those that believe conditions are about the same (28%) has risen four percentage points. Likewise, thinking about their own financial circumstances, under half (46%) believe conditions have worsened, down three percentage points, while over two in five (43%) believe conditions are about the same, up three percentage points over the last quarter.

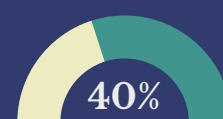
Although pessimism regarding current general and personal financial conditions has declined marginally in the last quarter, negativity about future general and personal conditions has remained markedly stable. Seven in ten (71%) believe future general economic conditions will worsen in the next year, while only one in four (24%) think they will remain the same - similar to the 70% and 24% respectively that said the same in May. Although projections of personal financial circumstances fare better, with about two in five expecting these will worsen (44%) or remain the same (42%), these are also stable from respective figures of 45% and 42% observed last quarter.

Despite a small decline in pessimism around current personal finances, some demographics are reporting deteriorating financial circumstances, indicating that economic recovery is not felt equally. More women (51%) than men (40%) report that their personal financial situation has worsened in the last year, as well as more of those in households with children (50%) than those without (44%). Employment and education may also influence reports of worsening finances; those that are retired (49%) are more likely to say their finances have worsened in the last year compared to those working full-time (41%), as are those with no qualifications (54%), standard grades/highers (49%) or a HND//HNC diploma (48%) than those with a degree (38%).

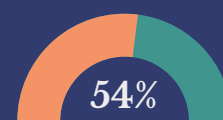
*At a glance -
Compared to
the past 12
months, my
own financial
situation is
worse now*



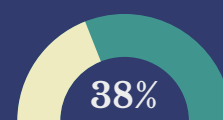
WOMEN



MEN



**NO
QUALIFICATIONS**



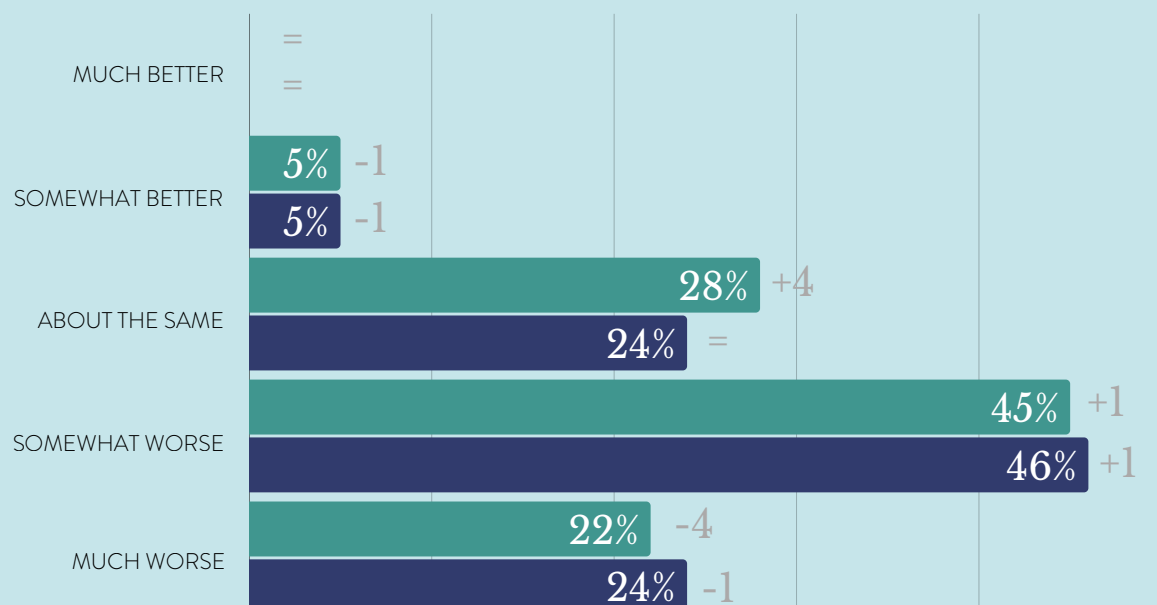
**DEGREE OR
MORE**

OVERVIEW OF ECONOMIC OUTLOOK

General economic conditions

■ Compared to 12 months ago

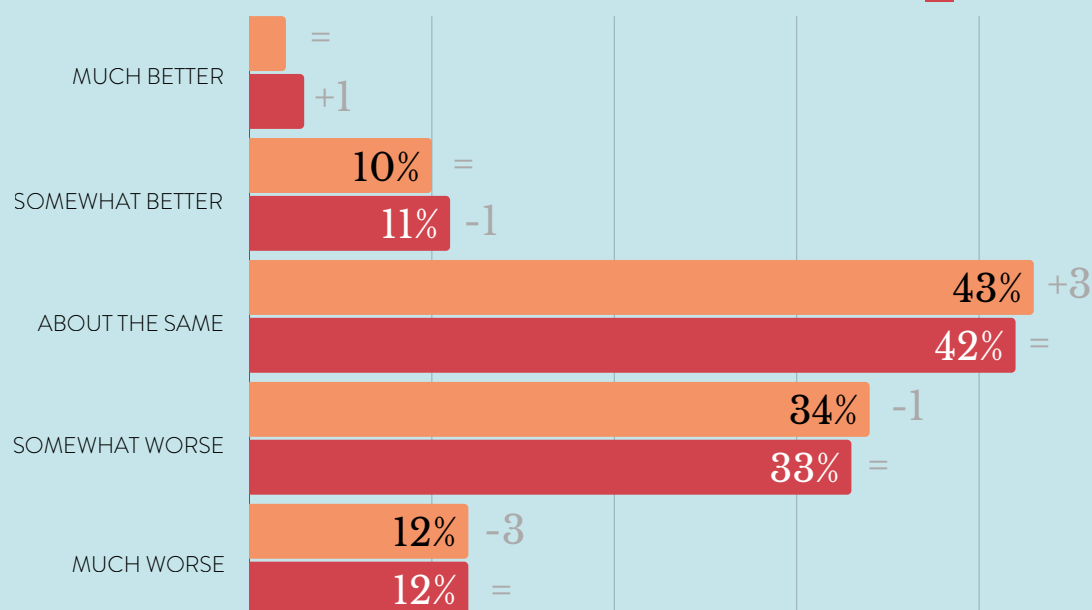
■ In 12 months' time



Own financial circumstances

■ Compared to 12 months ago

■ In 12 months' time

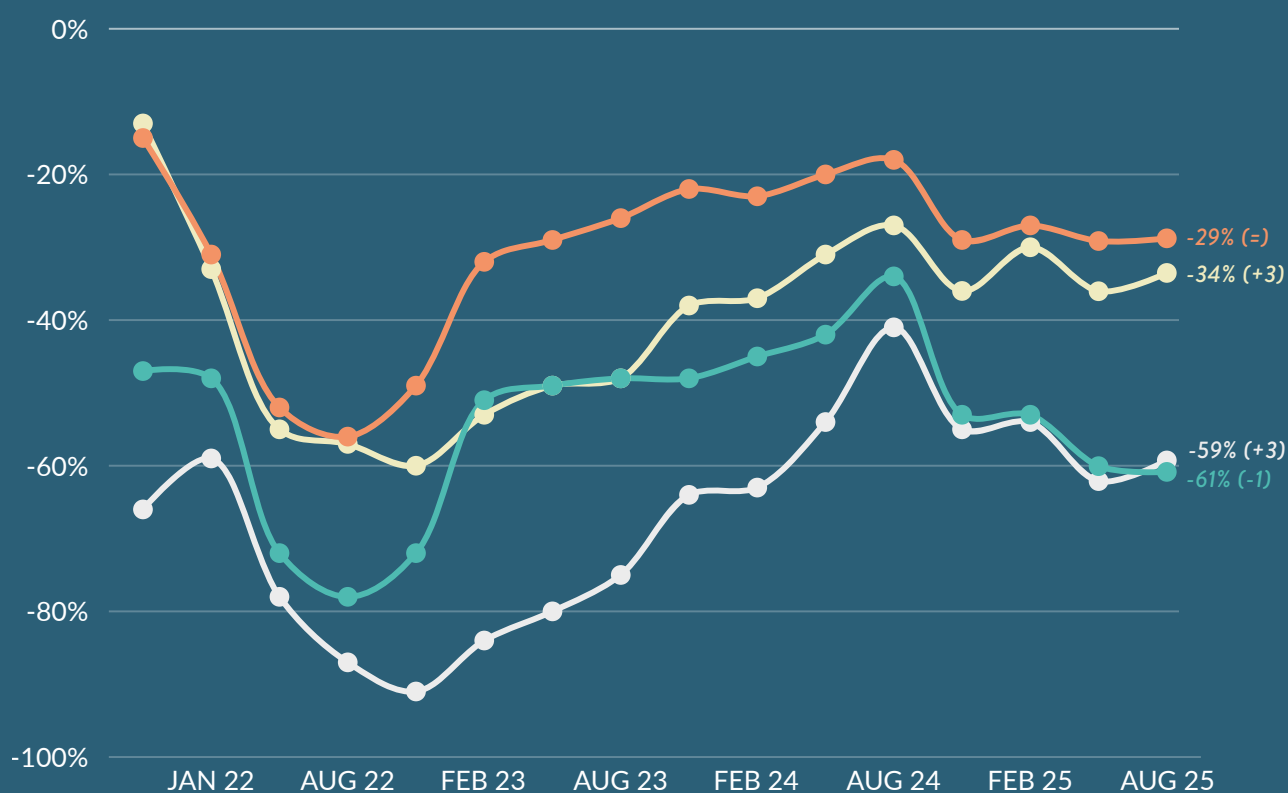


'Don't know' answers excluded. Numbers outside charts represent change from May 2025

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 May 2025



CONCERN WITH MONEY MATTERS

Although pessimism with current general and personal finances has witnessed a small decline since May, many Scots continue to be affected by concerns about money matters. About half have reduced non-essential spending (53%), cut back on leisure activities (51%), or saved less than usual (45%) in the last year as a result of financial concerns. While the proportion citing these behaviours has remained stable since May, the proportion that have reduced non-essential spending is up three percentage points in the last quarter, suggesting widespread and continued effects from economic struggles.

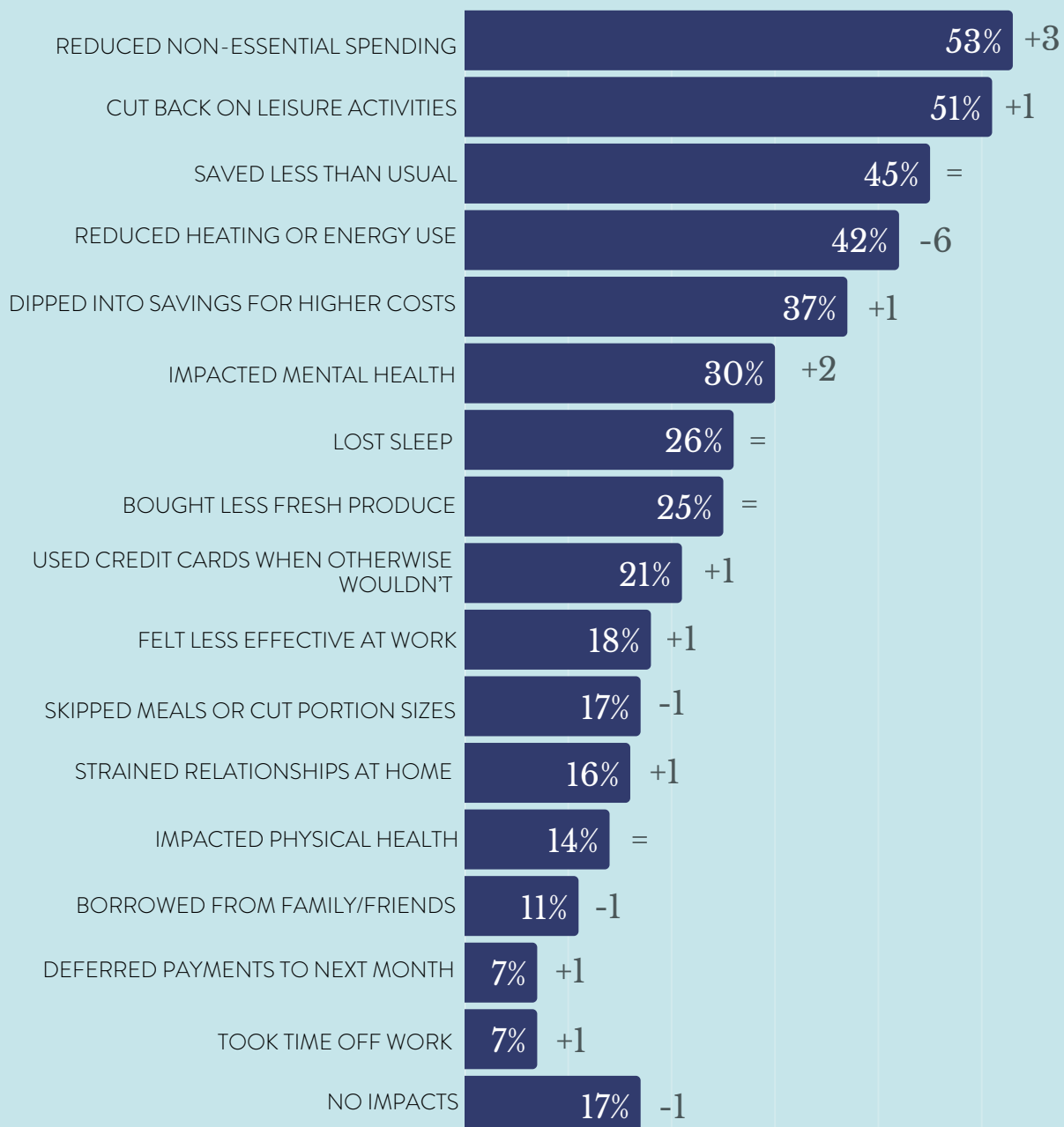
A range of impacts are also selected by one in four or more of Scots. These include reducing heating or energy use (42%), dipping into savings for higher costs (37%), impacting mental health (30%), losing sleep (26%), or buying less fresh produce (25%). Despite general stability, the proportion reporting impacts on their mental health has also increased since May, up two percentage points. Only one in six have not been affected by concerns about money matters in the last year, down just one percentage point.

Across most impacts, those that report that their personal financial circumstances have worsened in the last year are more likely to have experienced that impact than those whose financial circumstances have improved or remained the same over the last 12 months. In line with this finding, large-scale differences in impacts of concern with money matters are seen between younger age groups and older, between those in the most deprived and least deprived neighbourhoods, and between those with children and those without. Those most affected among these demographics are also more likely to report some health and wellbeing impacts of concerns with money matters, including impacts on their mental health. In addition, those in social grades C2DE (33%) are more likely to report impacts to their mental health from financial concerns compared to those in ABC1 (27%), as are those that are employed in any form (34%) compared to those that are retired (14%).

On the other hand, those in the oldest age group (65+) are most likely to report having not been affected by concerns about money matters in the last year than younger age groups (24%; 15%).

CONCERN WITH MONEY MATTERS

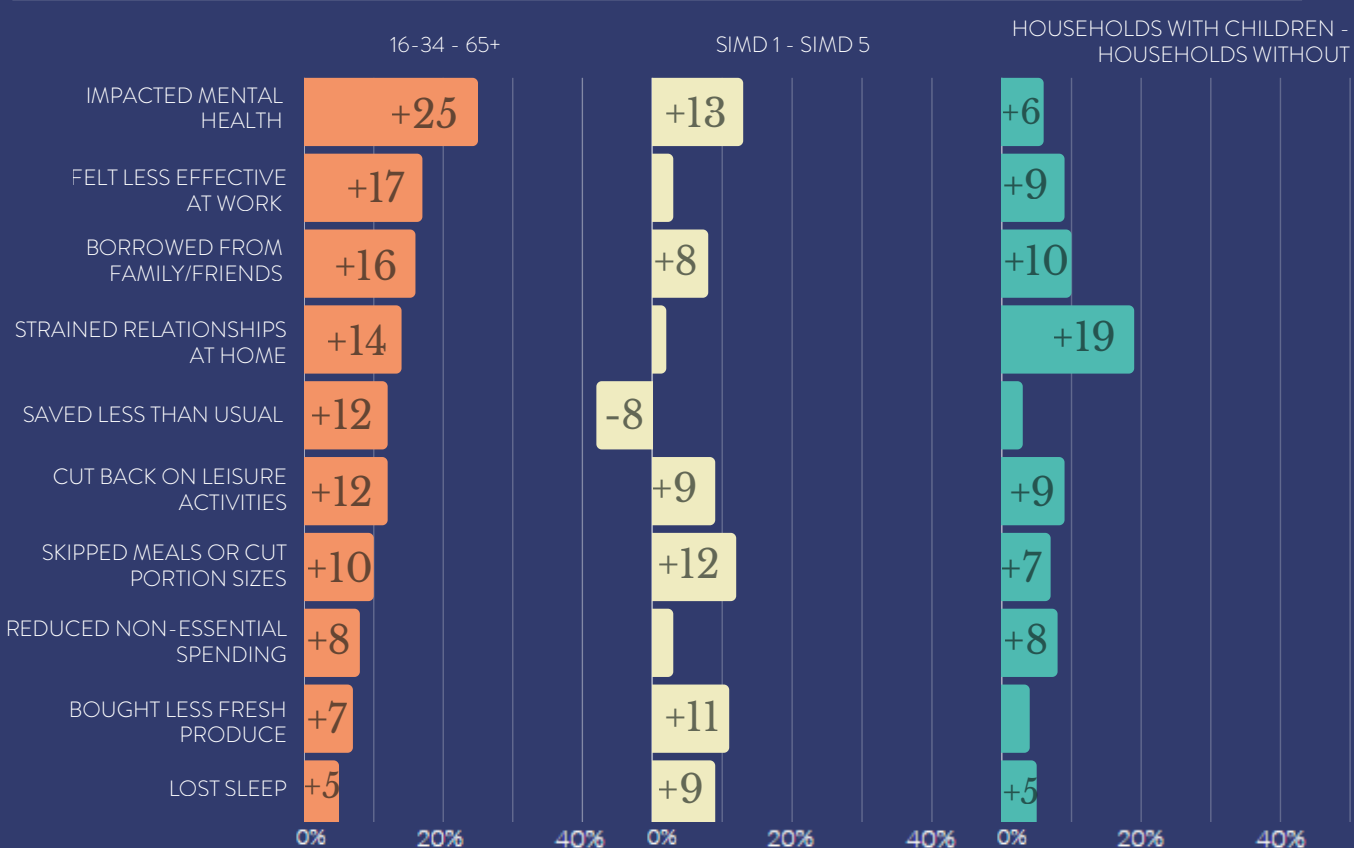
Proportion of respondents reporting the following impacts of concerns about money matters in the last 12 months



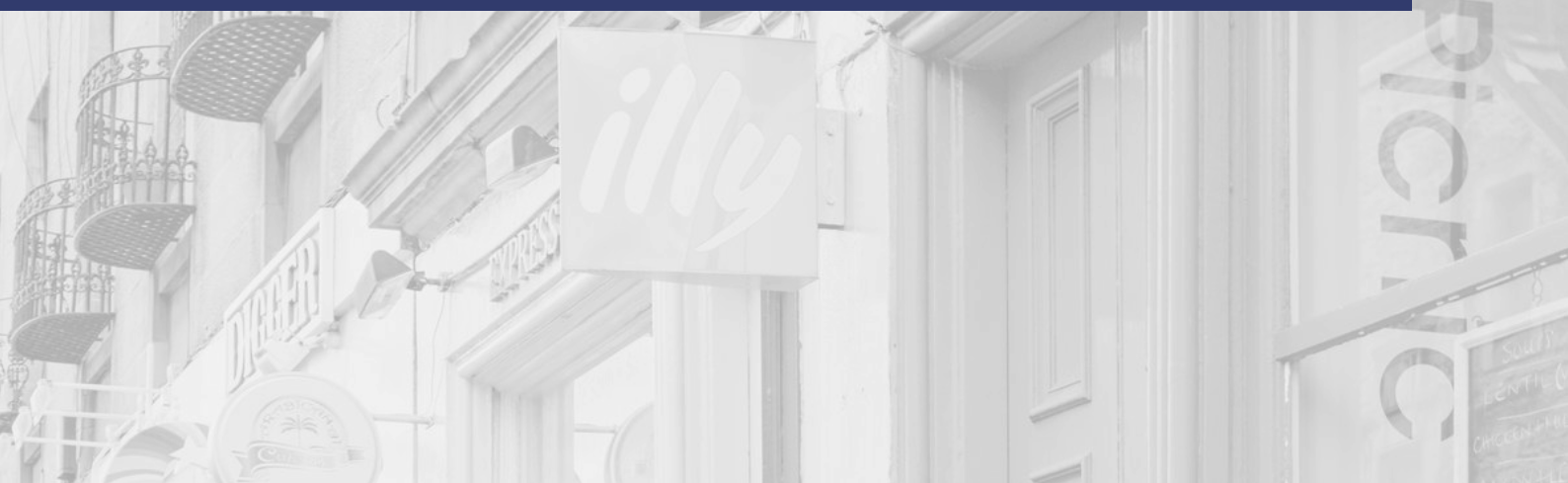
In which of the following ways have concerns about money matters affected you in the last 12 months? (Selected answer options shown)
Numbers outside bars represent percentage point change from May 2025

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*



IMPACTS ON FOOD

When asked about the impact of rising prices on food choices in the last six months, a majority of Scots report changing their habits to manage costs. Just over half (55%) say they have reduced the number of takeaways or times they dine out (down from 60% in 2024 and 64% in 2023). Nearly half (49%) report shopping for food based primarily on price rather than health, up four percentage points from August 2024.

A sizable minority are making further compromises. Around one in four (26%) say they are reducing the quantity or quality of fruits and vegetables in their diet, 25% are consuming more packaged or processed foods instead of fresh alternatives, and 21% are choosing to eat less meat to save money. One in five (21%) are opting for foods that require little or no cooking, such as toast or instant noodles.

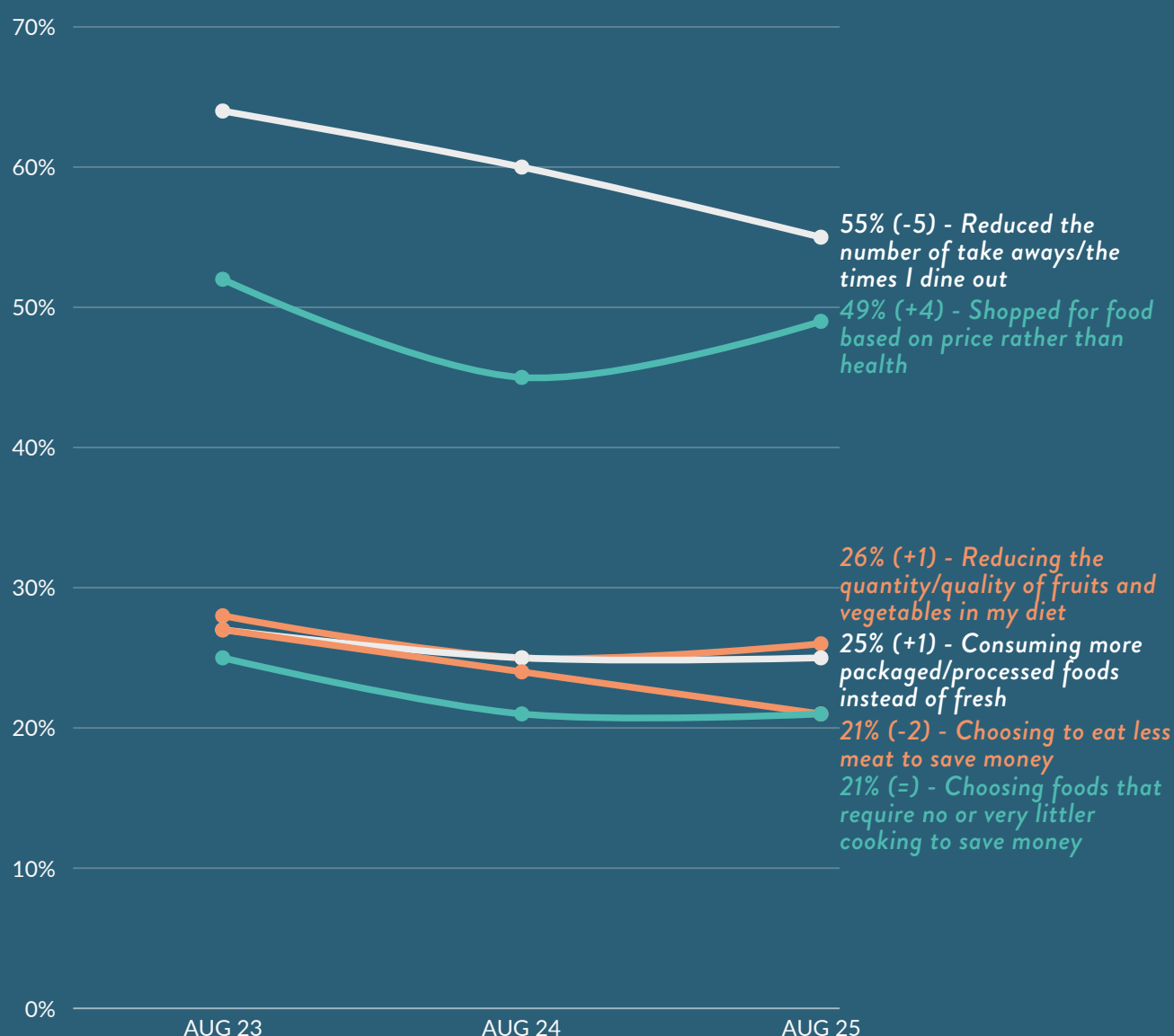
These behaviours are more pronounced among certain groups. For example, six in ten (62%) households with children report cutting back on takeaways or dining out, compared to 53% of households with no children. Almost six in ten (57%) households with children say they shop based on price rather than health, and one in three (32%) report consuming more processed foods instead of fresh alternatives.

Respondents living in Scotland's most deprived neighbourhoods (SIMD 1) are more likely than those in the most affluent areas (SIMD 5) to say they have reduced the quantity or quality of fruits and vegetables in their diet, chosen foods that require little or no cooking to save money, consumed more packaged or processed foods instead of fresh alternatives, and shopped for food based on price rather than health.

Just over one in five (22%) say that rising prices have not impacted their food choices in the last six months.

IMPACTS ON FOOD

Proportions of respondents engaging in the following behaviours to combat rising prices in the last six months



Which of the following ways have rising prices impacted your food choices in the last six months? Numbers in parentheses represent change since August 2024

SAVING BEHAVIOURS

Over a third of Scots (35%) say they struggle to save money because their income only covers essentials. This is the most common saving-related behaviour and reflects the ongoing pressure of current living costs.

Despite these challenges, saving remains a priority. One in five Scots (20%) are saving for a short-term goal such as a holiday or driving lessons, while 23% are saving for a long-term goal like a house, pension or university. A quarter (25%) are saving because they are unsure what will happen with the economy, and 10% are saving due to concerns about job or income security.

Some Scots save without actively planning to, simply because they spend less than they earn (14%). A small minority (3%) say they are not saving because they do not trust banks or investment companies.

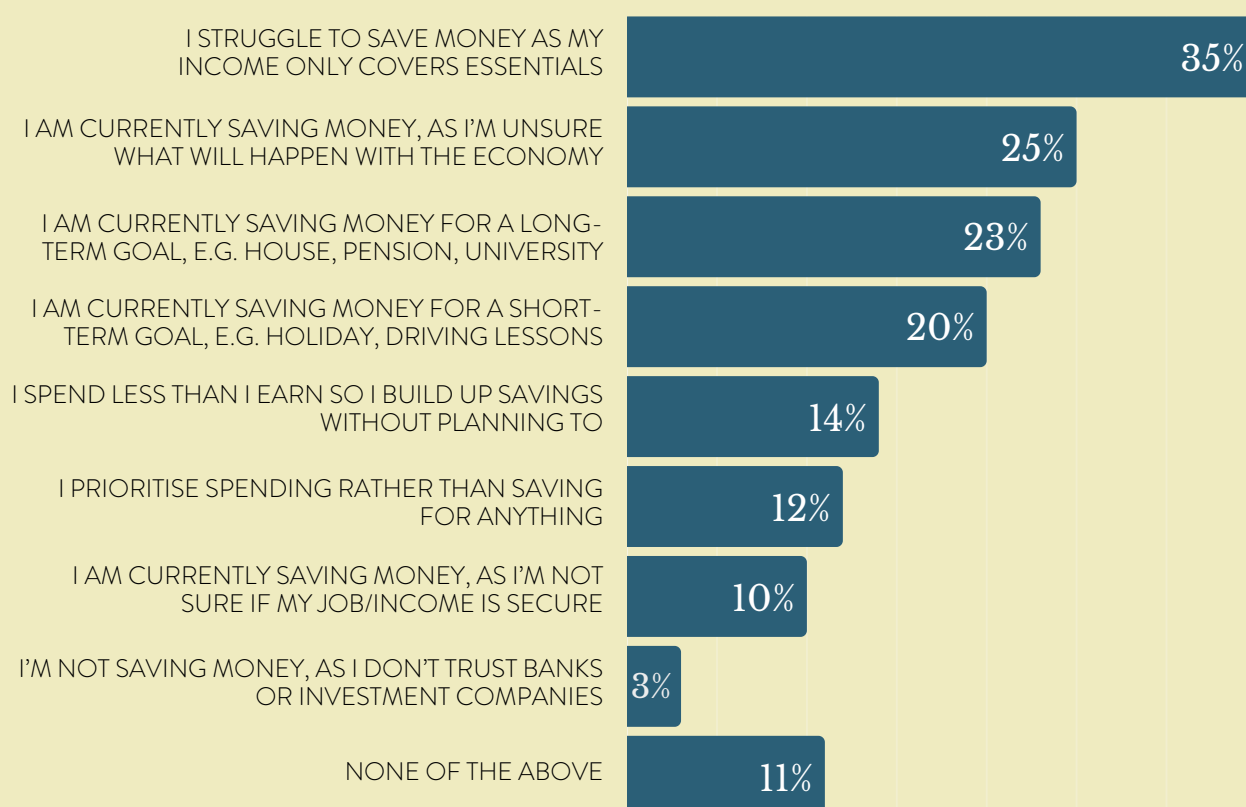
Saving behaviours vary by age. Among those aged 16–34, 25% are saving for short-term goals, 42% for long-term goals, and 33% due to economic uncertainty. This group is also the most likely to be saving because of job insecurity (15%). This pattern suggests that younger Scots are financially active but cautious. Their saving behaviours reflect a mix of ambition and anxiety: they are planning for both short- and long-term goals, but their decisions are also influenced by economic uncertainty and concerns about job security.

Scots aged 65 and over are less likely to be saving for a long-term goal (5%) but are most likely to say they prioritise spending over saving (17% compared to only 7% of those aged 16–34).

Scots living in the most deprived areas (SIMD1 and SIMD2) are more likely to report struggling to save due to income only covering essentials (43%) than those in SIMD3 (35%), SIMD4 (33%), and SIMD5 (26%).

SAVING BEHAVIOURS

Proportions of respondents selecting each statement to describe their current relationship with saving money



And please select all of the following statements which describe your current relationship with saving money.





TECHNICAL DETAILS

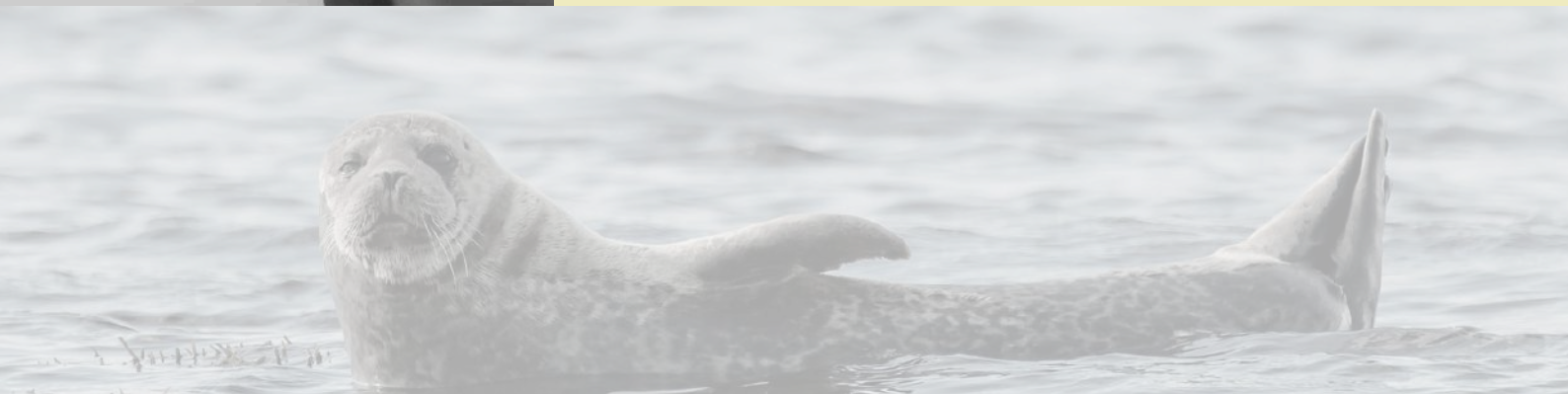
The survey was designed by Diffley Partnership and the David Hume Institute. Invitations were issued online using the ScotPulse panel. Fieldwork was conducted between the 1st - 5th August 2025, and received 2,190 responses from the adult population, aged 16+, across Scotland. Results are weighted to the Scottish population (2023 estimates) by age and gender.



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.



UNDERSTANDING SCOTLAND

ECONOMY TRACKER



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