



UNDERSTANDING SCOTLAND

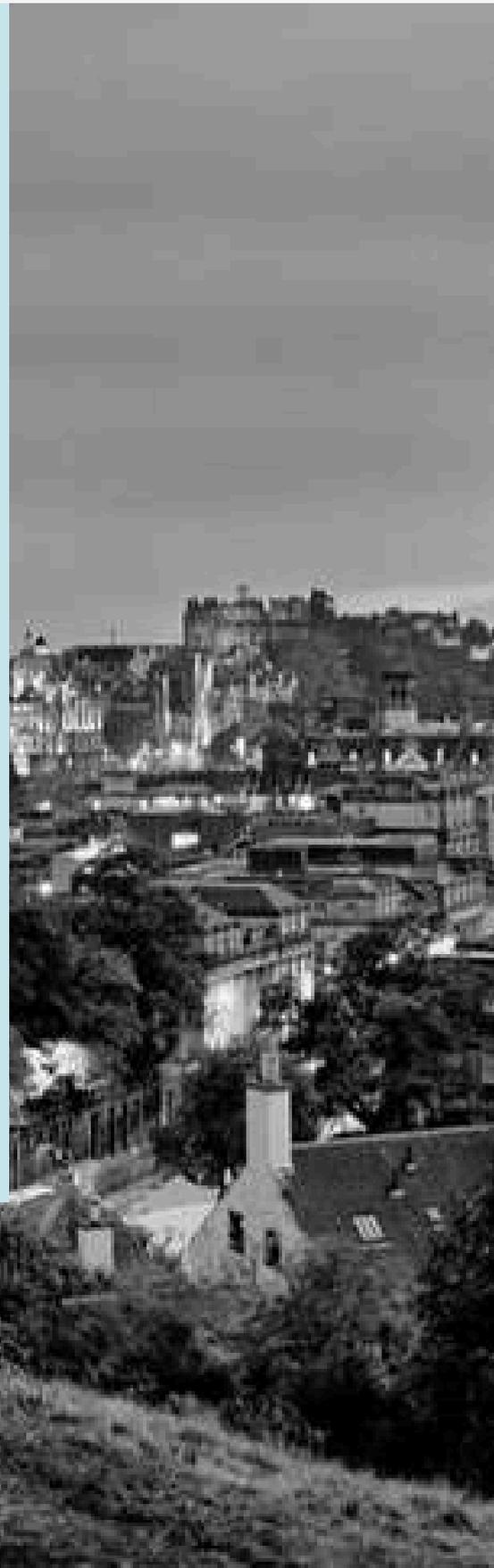
ECONOMY TRACKER

February 2026



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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 - FEBRUARY 2026

This latest wave of the Understanding Scotland Economy Tracker arrives at a pivotal moment, with the Scottish Parliament election drawing closer and public debate shaped by questions of economic resilience, living standards and the pressures facing households across the country.

The findings from February 2026 offer a detailed and timely snapshot of how Scots assess the nation's direction of travel, their own financial circumstances and the issues they believe should shape the campaign in the months ahead.

Across multiple indicators, this wave points to a modest easing of the deep pessimism that characterised much of the previous two years. Fewer people now say that the economy has worsened, and expectations for the year ahead, while still negative overall, are less bleak than before.

Personal financial assessments follow the same pattern, with more Scots reporting stability and fewer anticipating further deterioration. These changes do not signal a return to optimism, but they do suggest that the period of acute uncertainty and financial strain may be beginning to stabilise.

At the same time, the pressures of everyday life remain central to how people view both the economy and public policy. Healthcare and the cost of living continue to dominate national and local priorities, and the rising salience of immigration, now firmly established as the third-ranked issue, adds a further dimension to the pre-election landscape. Expectations of rising essential costs, particularly food, utilities and housing, underline the financial constraints still facing many households. Meanwhile, the majority of Scots continue to adapt their behaviour in response to money worries, with notable impacts on wellbeing, mental health and day-to-day consumption.

These findings also reaffirm a broader message that has been consistent throughout the Understanding Scotland series. Public confidence in the current economic model remains low, with only small minorities believing that the economy works for most people or for themselves.

As the country approaches an important electoral choice, this wave of the Understanding Scotland Economy Tracker provides a clear account of the public mood. It highlights the issues that matter most to voters, offers insight into their expectations for the year ahead and underscores the continued importance of building an economic model that delivers tangible and equitable improvements in people's lives.

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

PUBLIC SENTIMENT HAS EASED BUT REMAINS NEGATIVE

Views on Scotland's direction of travel have softened this wave. Just over half (53%) believe the country is heading in the wrong direction, down six points from November, while optimism has risen modestly to 26%. Although still firmly net-negative, these figures represent the least pessimistic outlook in over a year.

02

HEALTHCARE AND COST OF LIVING REMAIN DOMINANT AS THE ELECTION NEARS

Healthcare (48%) and the cost of living (43%) continue to top the list of national priorities, and remain the leading issues at local level too. Immigration holds its position as the third most cited concern both nationally (23%) and locally (20%). With the Scottish Parliament election approaching, these issues are set to feature prominently in the campaign.

03

ECONOMIC PRESSURES PERSIST BUT PESSIMISM IS EASING

While 62% continue to say general economic conditions have worsened over the past year, this is down seven points from November, and the proportion saying conditions are "about the same" has risen sharply to 33% (+6). Personal finances show a similar shift: 41% say they have worsened (-6), while 44% now say they are unchanged (+4). Expectations for the next 12 months have become less bleak, with the share expecting general economic deterioration falling from 73% to 66% (-7), and the proportion expecting their own finances to worsen falling from 47% to 40% (-7).

04

SPENDING PATTERNS REFLECT PRESSURE ON ESSENTIALS AND TENTATIVE RECOVERY ELSEWHERE

Half of Scots (50%) expect to spend more on food and drink, the highest level since 2022, and 47% expect to spend more on household goods and services. Nearly seven in ten anticipate higher utility bills (69%), while 49% expect an increase in housing costs. By contrast, discretionary spending shows tentative improvements: 23% expect to spend more on holidays outside the UK (up from 20%), 21% on holidays within the UK (up from 17%), and 22% on clothing and footwear (up from 20%). Leisure and culture spending expectations have also risen, with 20% expecting to spend more, the strongest result since 2021.

05

FINANCIAL STRAIN CONTINUES TO AFFECT DAY TO DAY LIFE

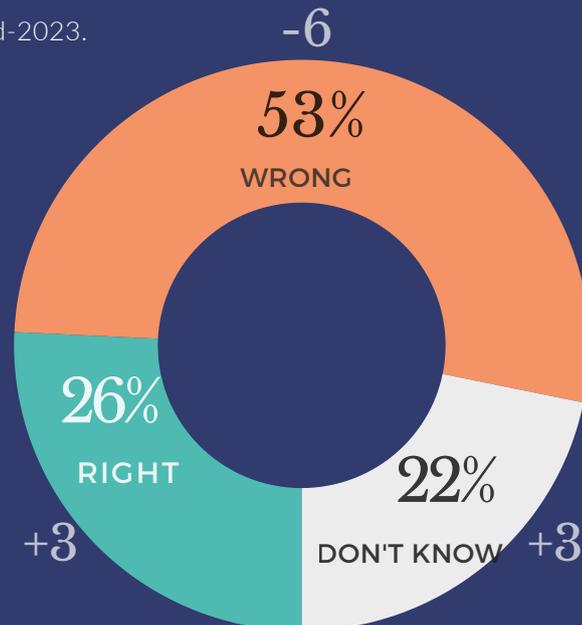
Most money-related impacts remain stable but widespread. A majority have reduced non-essential spending (52%) or cut back on leisure activities (50%), and four in ten have dipped into savings (39%). Mental health impacts have risen to 31%, and more than one quarter (27%) report losing sleep due to money worries. While some pressures have eased slowly over time, financial concerns remain a routine part of life for many Scots.

SCOTLAND'S DIRECTION OF TRAVEL

After several consecutive waves marked by relatively stable views, public perceptions of Scotland's overall direction have shifted again this February. Just over half of respondents (53%) believe that things in Scotland are heading in the wrong direction, a notable six-point decrease since November. Meanwhile, around one in four (26%) think Scotland is moving in the right direction, up three points. A further 22% say they are unsure, also a three-point increase.

Looking at the longer trend, views this wave are broadly consistent with the pattern observed across the past year: a clear majority leaning toward a negative assessment, though February's figures show a modest softening of that negativity. Support for the view that Scotland is heading in the right direction has hovered in the low-20s for most of the past two years, with the current figure representing its joint-highest level since mid-2023.

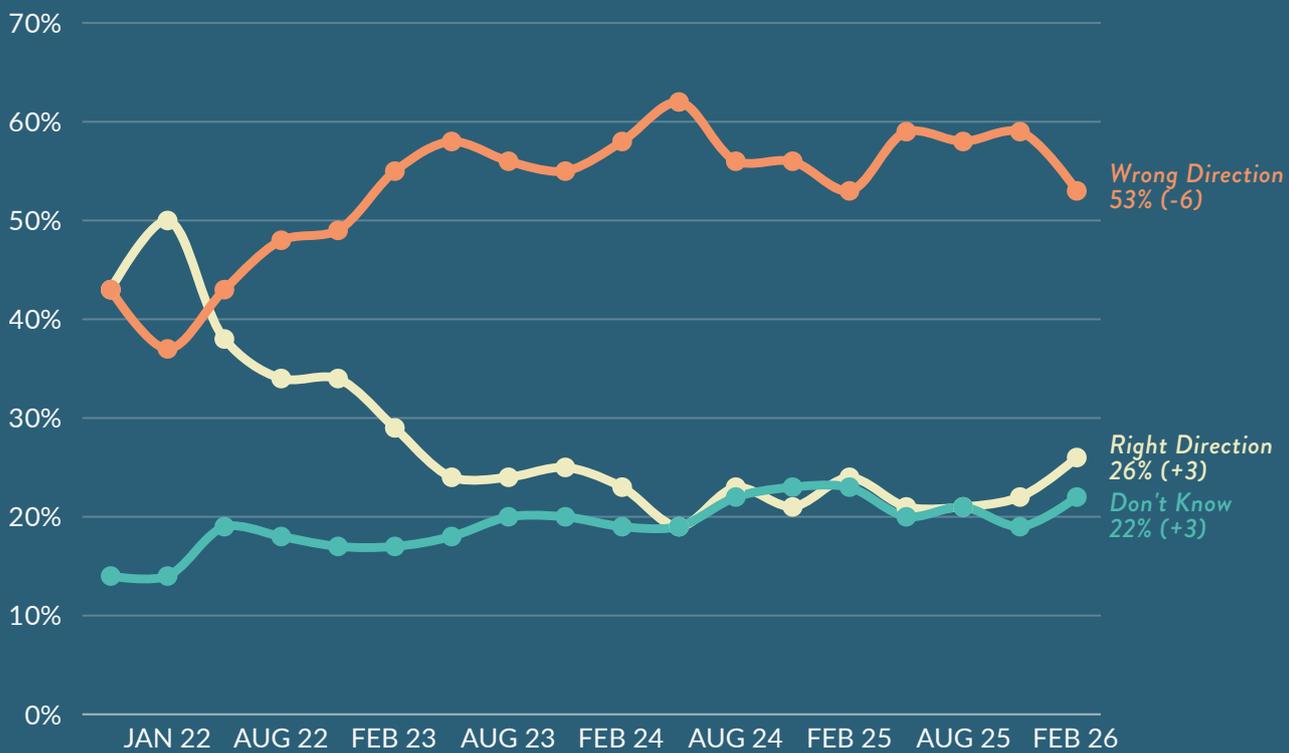
Demographic differences are less pronounced this wave than in previous ones. The main point of divergence is by age: those aged 65 and over remain significantly more likely to say Scotland is heading in the wrong direction (60%), compared with those aged 16–34 (42%). Beyond this, variation across gender, region, and social grade is minimal, indicating a broad consensus across groups in the overall assessment of Scotland's trajectory.



'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 Nov 2025



NATIONAL PRIORITIES

As Scotland approaches the forthcoming Scottish Parliament election, public priorities are crystallising around a familiar set of concerns that are likely to shape the tone and substance of the campaign. This wave sees continuity at the top of the agenda, alongside some notable shifts in salience.

Healthcare and the NHS remain the dominant public priority, selected by nearly half of respondents (48%), a marginal increase on the previous wave. This has consistently been the leading issue throughout the Understanding Scotland Economy Tracker series, and its continued prominence suggests it will form a central battleground in the election period.

Concern about the cost of living and inflation has risen meaningfully this wave, with 43% naming it a top priority, a five-point increase and the sharpest movement in the index.

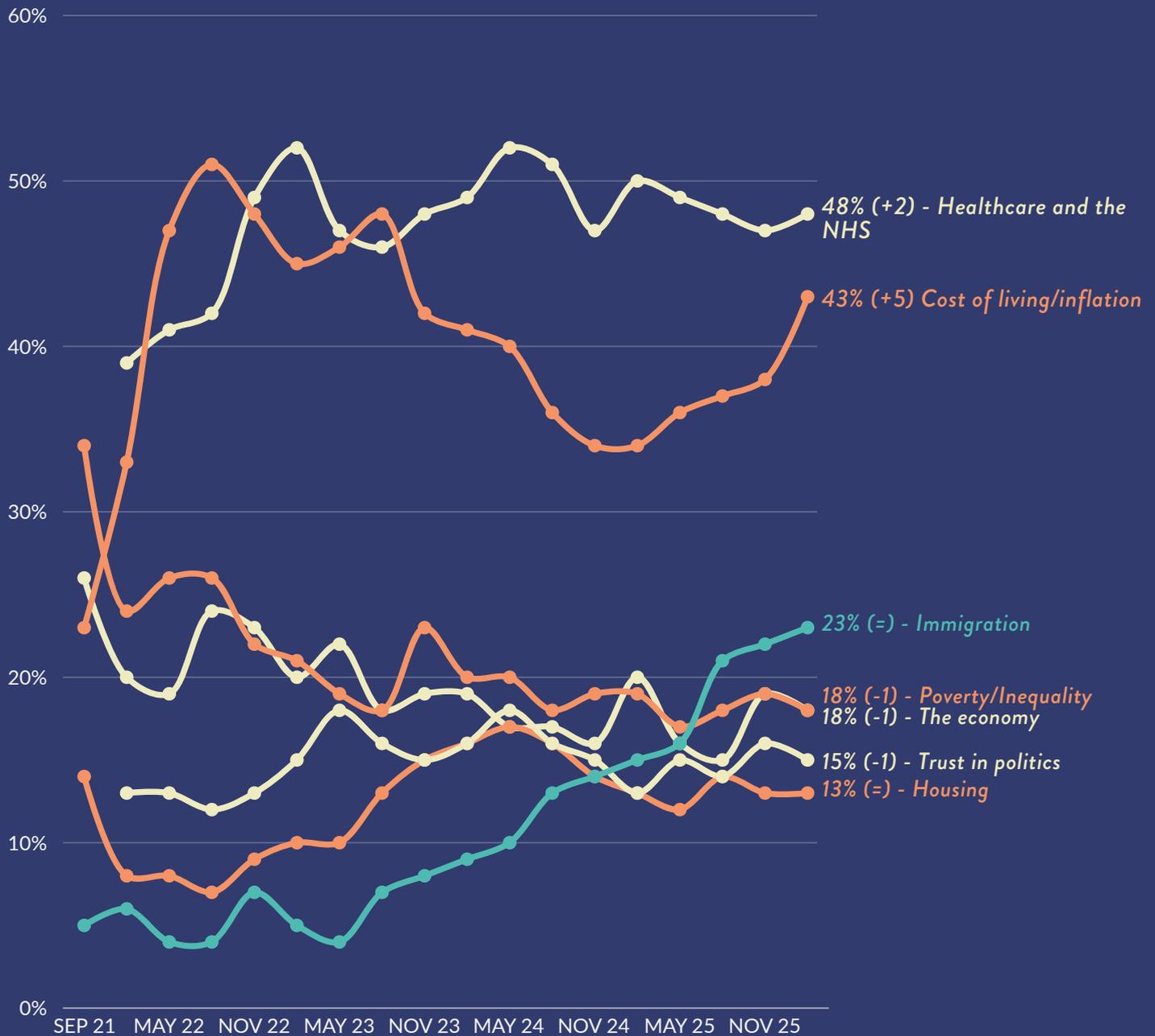
Immigration retains its position as the third-ranked issue, cited by 23% of the public.

A second cluster of issues, poverty and inequality (18%), the economy (18%), trust in politics (15%) and housing (13%), also continue to attract substantial attention, though all have seen little to no movement since the previous quarter. Crime and justice has dipped slightly (9%, down three points), but remains an important concern for around one in ten Scots.

Patterns across demographic groups underline the diversity of concerns heading into the election campaign. Younger people (16–34) are notably more likely than older adults (65+) to cite poverty and inequality (23% vs. 12%) and the environment and climate change (13% vs. 6%). Older respondents, by contrast, show higher concern for social care (13% vs. 6%), pensions (8% vs. 1%) and the ageing population (9% vs. 3%).

NATIONAL 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 Nov 2025

LOCAL PRIORITIES

Local concerns this wave continue to centre on pressures facing public services and household budgets. Healthcare and the NHS remain the most prominent local issue, selected by 46% of respondents, a marginal rise from the previous wave. Cost of living and inflation follow closely at 43%, unchanged from November. Together, these two issues dominate local agendas across Scotland and closely mirror the national hierarchy of priorities.

Housing pressures are more acute in the Highlands and Islands, where nearly a quarter (24%) identify it as a top local issue, with elevated concern also visible in Glasgow (22%) and Lothian (19%).

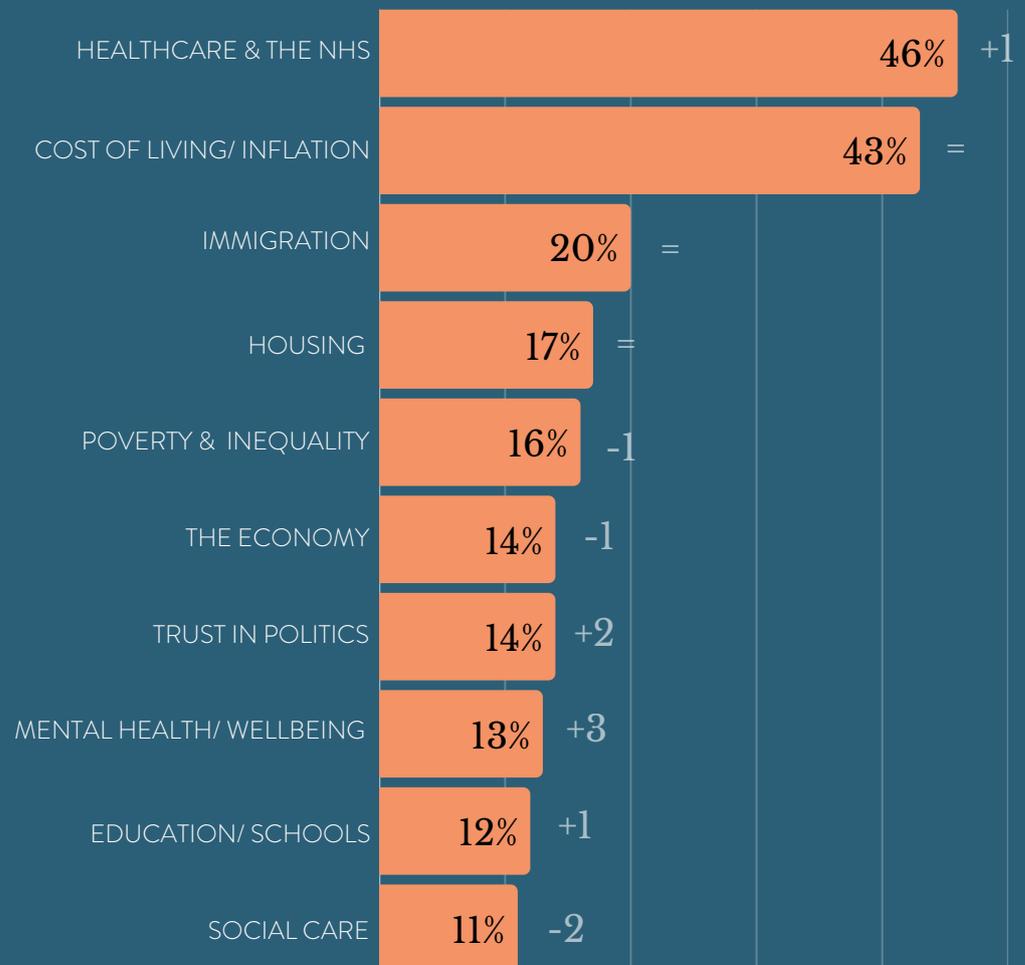
Poverty and inequality emerge most strongly in Glasgow, where 27% of residents rank it as a top local priority, substantially higher than elsewhere, and remain notable in Central Scotland and South Scotland (both 18%). Immigration follows a similar urban pattern, reaching 24% in Glasgow and 23% in Central Scotland, compared with significantly lower concern in more rural regions such as the Highlands and Islands (15%).

Regional differences also surface in relation to demographic pressures. The ageing population features more prominently in the Highlands and Islands (10%) and South Scotland (9%), while those same regions continue to register higher concern about issues linked to connectivity and service access.

Overall, while the local priority profile broadly reflects national-level patterns, regional variation underscores the differing pressures communities face – from concentrated urban concerns around poverty, economic pressures and immigration to rural challenges related to housing, transport and demographic change.

LOCAL TOP PRIORITIES & ISSUES

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

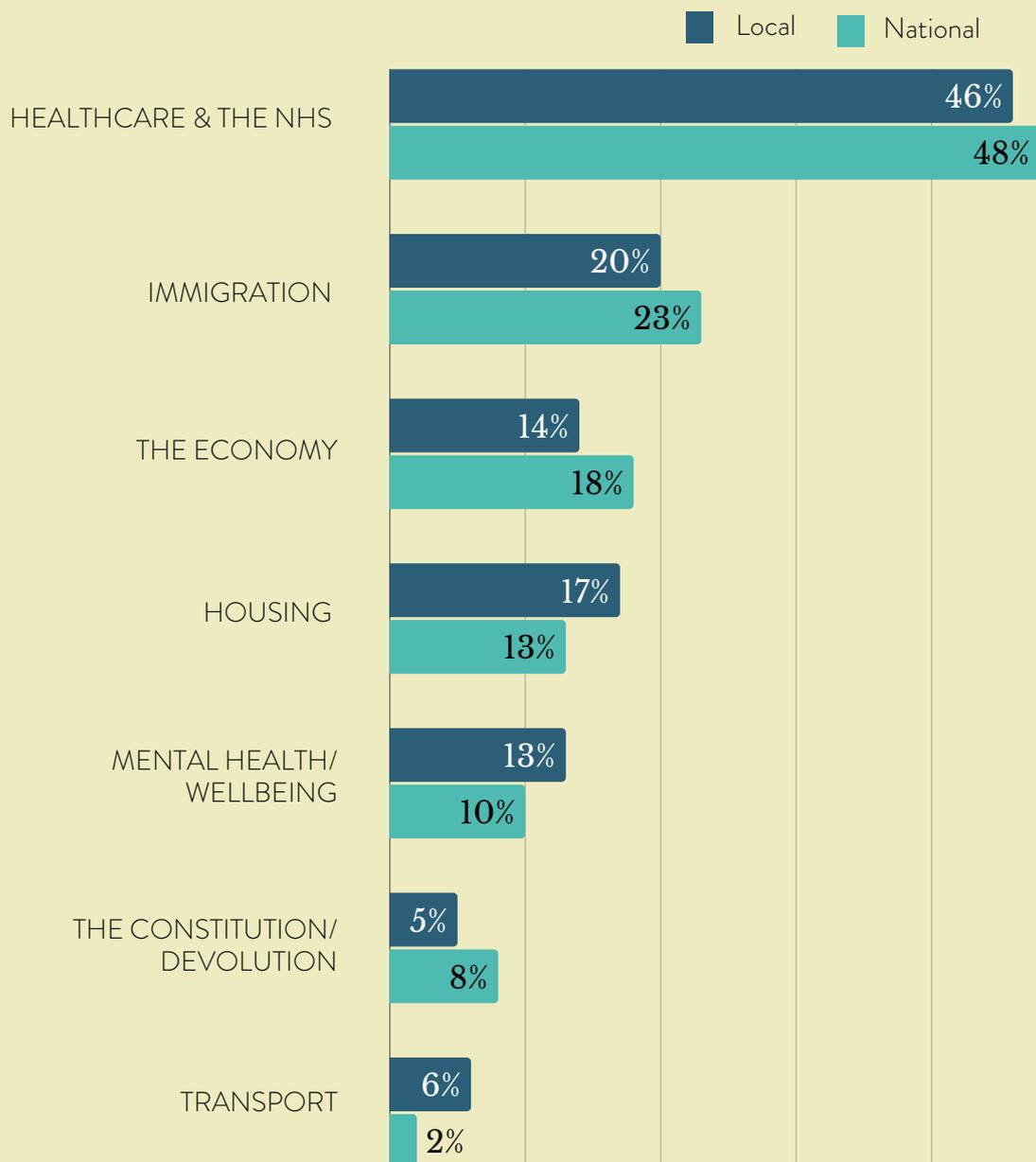


What do you think are the three most important issues facing your local area today? (Only answer options above 10% shown)
Numbers outside bars represent percentage point change from Nov 2025



DIFFERENCE BETWEEN LOCAL AND NATIONAL TOP PRIORITIES

Proportion of respondents citing each matter as one of the top three issues facing their local area and Scotland



What do you think are the three most important issues facing your local area today?
And what do you think are the three most important issues facing Scotland today? (Only answer options with a difference of three or more percentage points shown)

ECONOMIC PRIORITIES

Cost of living and inflation continue to dominate Scotland's economic priorities this wave. Almost two-thirds (62%) identify it as their top economic concern, a further one-point increase and the highest level recorded in over a year. As in previous waves, pressure on prices and household budgets remains the defining lens through which most Scots view the economic landscape.

A second tier of issues continues to attract attention from roughly three in ten respondents, including living standards and wages (32%), lack of spending on public services (29%) and poverty and inequality (27%). None of these priorities has shifted significantly since November, suggesting a steady and entrenched hierarchy of concerns.

Managing public finances shows the largest movement this wave, falling five points to 25%, though it remains a top priority for one in four Scots. Concern about unemployment, meanwhile, has increased by three percentage points to 15%.

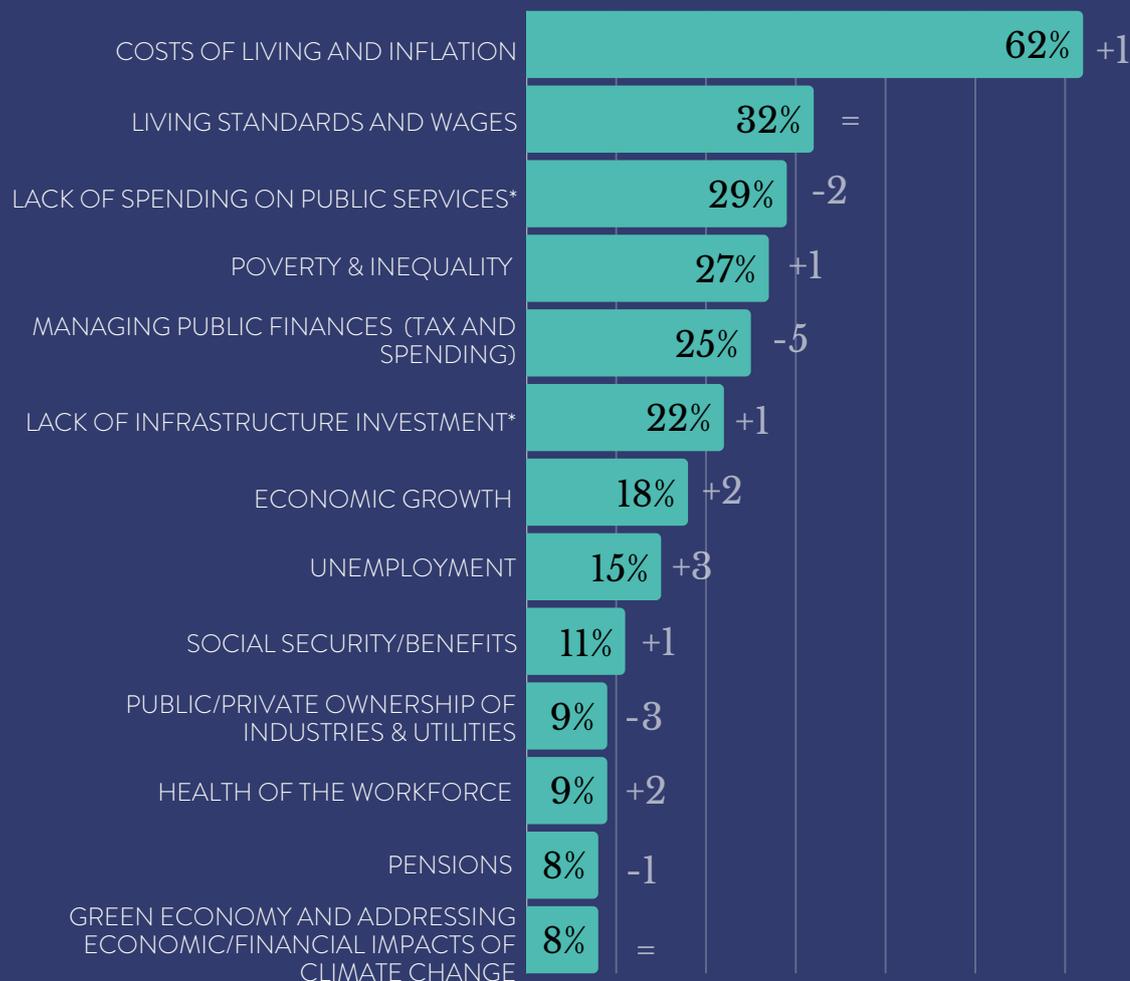
Age-based differences remain pronounced, particularly in priorities related to living standards and government spending. Younger respondents (16–34) place greater emphasis on living standards and wages (40%) and are more likely to highlight unemployment as a concern (26%) than any other age group. By contrast, older adults place comparatively less emphasis on these areas.

Those aged 35 and above are more likely to prioritise economic growth and public spending. Concern about lack of spending on public services rises to 36% among respondents aged 65+, compared with 21% among those aged 16–34. Economic growth shows a similar pattern, rising from 12% among the youngest cohort to 23% among those aged 65+.

Gender differences also continue to shape economic priorities. Women are more likely than men to prioritise lack of spending on public services (33% vs. 25%) and, most strikingly, cost of living and inflation (68% vs. 55%). Men, meanwhile, are more likely to emphasise economic growth compared to women (23% vs. 13%).

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 Nov 2025

ECONOMIC OUTLOOK

Public assessments of both current and future economic conditions have softened this wave, with fewer Scots reporting that the economy has worsened and more saying conditions are broadly unchanged. Looking back over the last 12 months, around three in five (62%) now believe general economic conditions have deteriorated, a seven-point decrease from November. At the same time, the proportion who think conditions are “about the same” has risen to 33%, up six points, while a small minority (5%) perceive improvement.

Perceptions of personal finances have also improved slightly. Just over two in five (41%) say their own financial circumstances have worsened over the past year, down six points, while the share reporting no change has risen to 44%. The proportion who feel their financial situation has improved remains low but has increased to 14%.

Expectations for the year ahead show a similar pattern of reduced pessimism. Two-thirds (66%) believe general economic conditions will worsen over the next 12 months—a seven-point decrease, while 27% now expect conditions to remain broadly the same, up six points. A small but increasing minority (7%) anticipate improvement. Expectations for personal finances follow the same trajectory: the proportion expecting their situation to worsen has fallen to 40%, while those expecting stability has risen to 46%, and 14% now foresee improvement.

Taken together, these results indicate that while economic sentiment remains negative overall, the extreme pessimism seen in earlier waves has eased. More Scots now believe both national economic conditions and their own finances are holding steady rather than declining, and fewer anticipate that the coming year will bring further deterioration. This softening is evident across all four indicators, past general conditions, past personal finances, future general outlook and future personal outlook, suggesting that public perceptions, while still fragile, may be starting to stabilise.

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

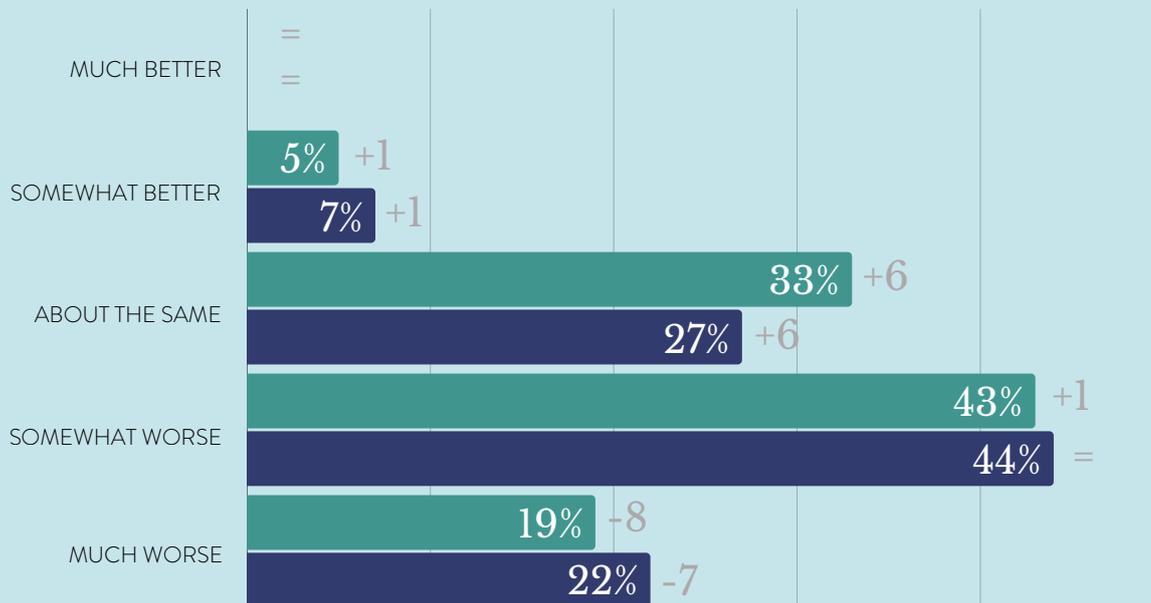


OVERVIEW OF ECONOMIC OUTLOOK

General economic conditions

■ Compared to 12 months ago

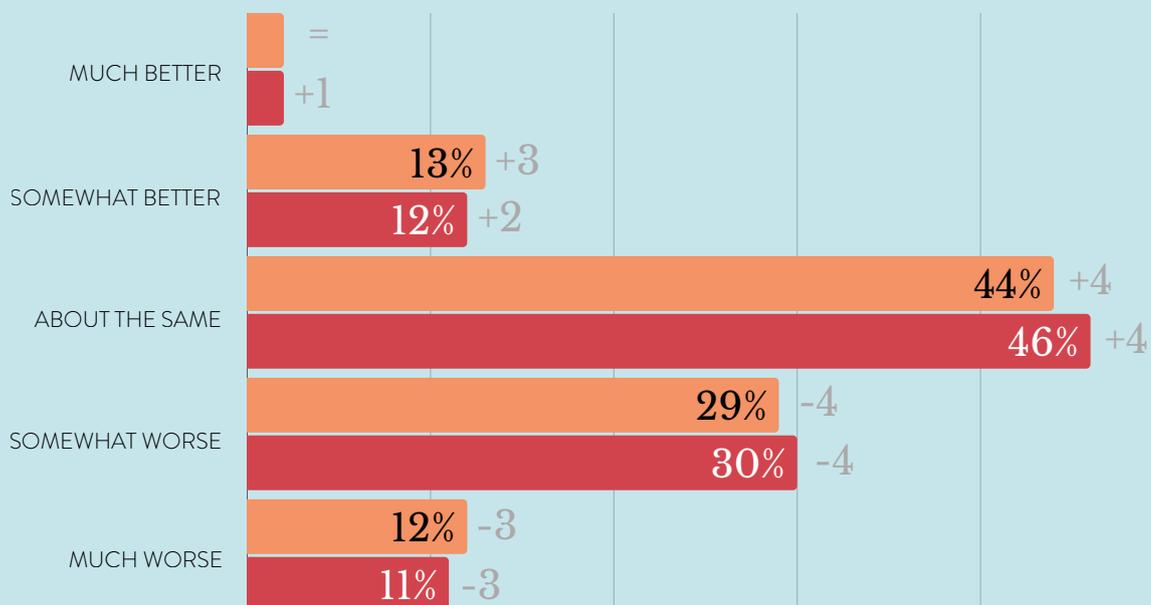
■ In 12 months' time



Own financial circumstances

■ Compared to 12 months ago

■ In 12 months' time

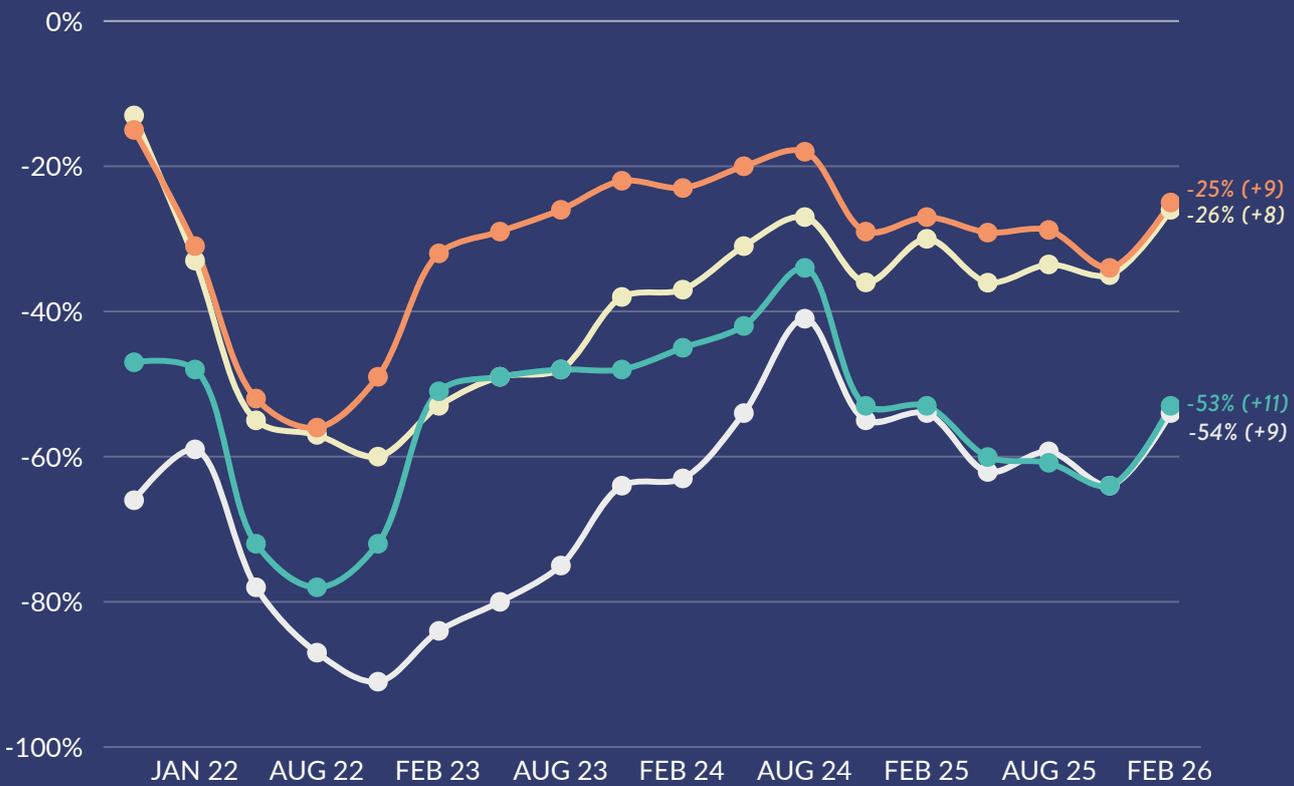


'Don't know' answers excluded. Numbers outside charts represent change from Nov 2025

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 Nov 2025



BUYING INTENTIONS

This wave revisited Scots' expectations for their spending over the next 12 months, last captured in February 2025. Across most categories, anticipated spending remains cautious, but there are clear signs of shifting patterns—most notably in essential goods, where expectations of increased spending have risen sharply, and in selected discretionary categories, where modest recovery is visible.

Spending on essentials continues to dominate. Half of respondents (50%) expect to spend more on food and drink, a marked rise from 37% last year and the highest figure recorded since 2022. Household goods and services show a similar shift, with 47% expecting to spend more, compared with 37% in early 2025. The strongest increases remain concentrated in unavoidable household costs: nearly seven in ten (69%) anticipate higher utility bills, up eight percentage points from last year, and 49% expect higher housing costs, up from 45% last year. These figures highlight that, despite easing headline inflation, households continue to feel sustained pressure on core expenditures.

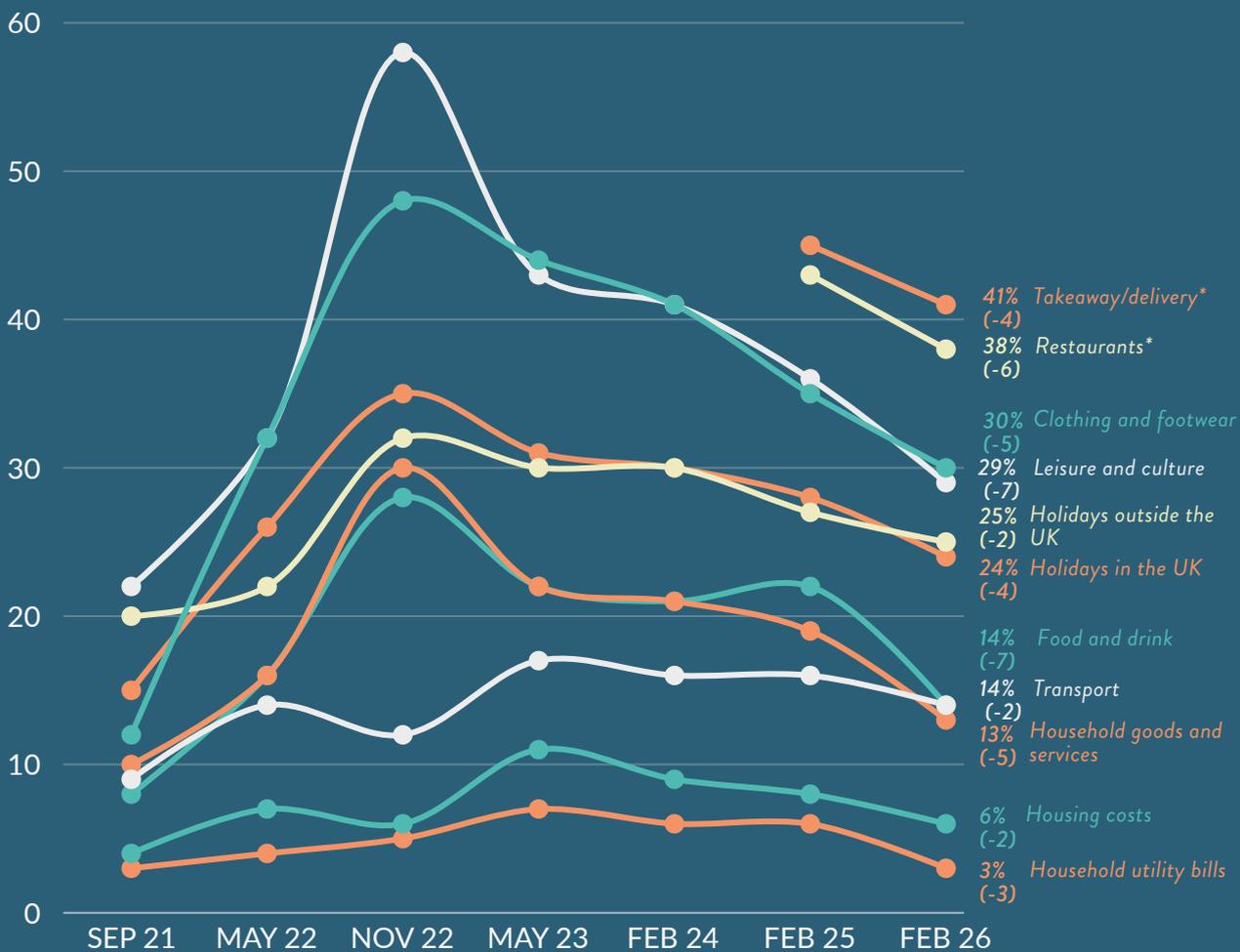
Discretionary spending presents a more mixed picture but with some evidence of improvement. Holidays outside the UK show the clearest signs of recovery, with 23% expecting to spend more, compared with 20% in February 2025 and 18% the year before. Domestic holidays follow a similar trajectory, rising to 21% from 17% last year. Clothing and footwear have also edged upward, with 22% expecting to spend more, up from 20% in 2025 and continuing to recover from the lows recorded in 2023 and 2024. Leisure and culture spending shows a comparable shift, with 20% now expecting to spend more, an increase from 17% last year and the strongest level since late 2021.

By contrast, eating out remains an area where Scots continue to anticipate cutting back. Although the proportions have eased slightly since last year, significant numbers still expect to reduce their spending, including 38% for restaurants and 41% for takeaways and deliveries. These remain among the highest figures for anticipated cutbacks across all categories, reflecting ongoing caution around more discretionary, day-to-day leisure expenses.

Taken together, these results point to a household financial environment still shaped heavily by rising essential costs. Increases in expected spending on food, utilities and housing suggest that, for many, the pressure on basic budgets remains acute. At the same time, the upturn in spending intentions for holidays, clothing and leisure activities indicates a modest but noticeable strengthening of consumer confidence in selected discretionary areas. Despite this, the majority of Scots continue to expect to spend either the same or less across most categories, underscoring the continued caution that characterises household consumption patterns even as inflationary pressures ease.

BUYING INTENTIONS OVER TIME

Proportion of respondents who expect to spend less money over the next 12 months compared to the last 12 months on certain goods and services.



Do you expect to spend more money or less money over the next 12 months compared to the last 12 months on:

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

*Brackets show change from last data point

CONCERN WITH MONEY MATTERS

Concerns about money matters remain widespread, with most impacts showing only small movements since the last wave. The most common behavioural responses continue to involve cutting back on spending. Just over half of Scots (52%) say they have reduced non-essential spending in the last 12 months, almost identical to the level reported in November. A similar proportion (50%) have cut back on leisure activities such as going out for meals or to the cinema, also down only one percentage point. Saving behaviour shows the same stability: 46% say they have saved less than usual, a marginal increase from 45%.

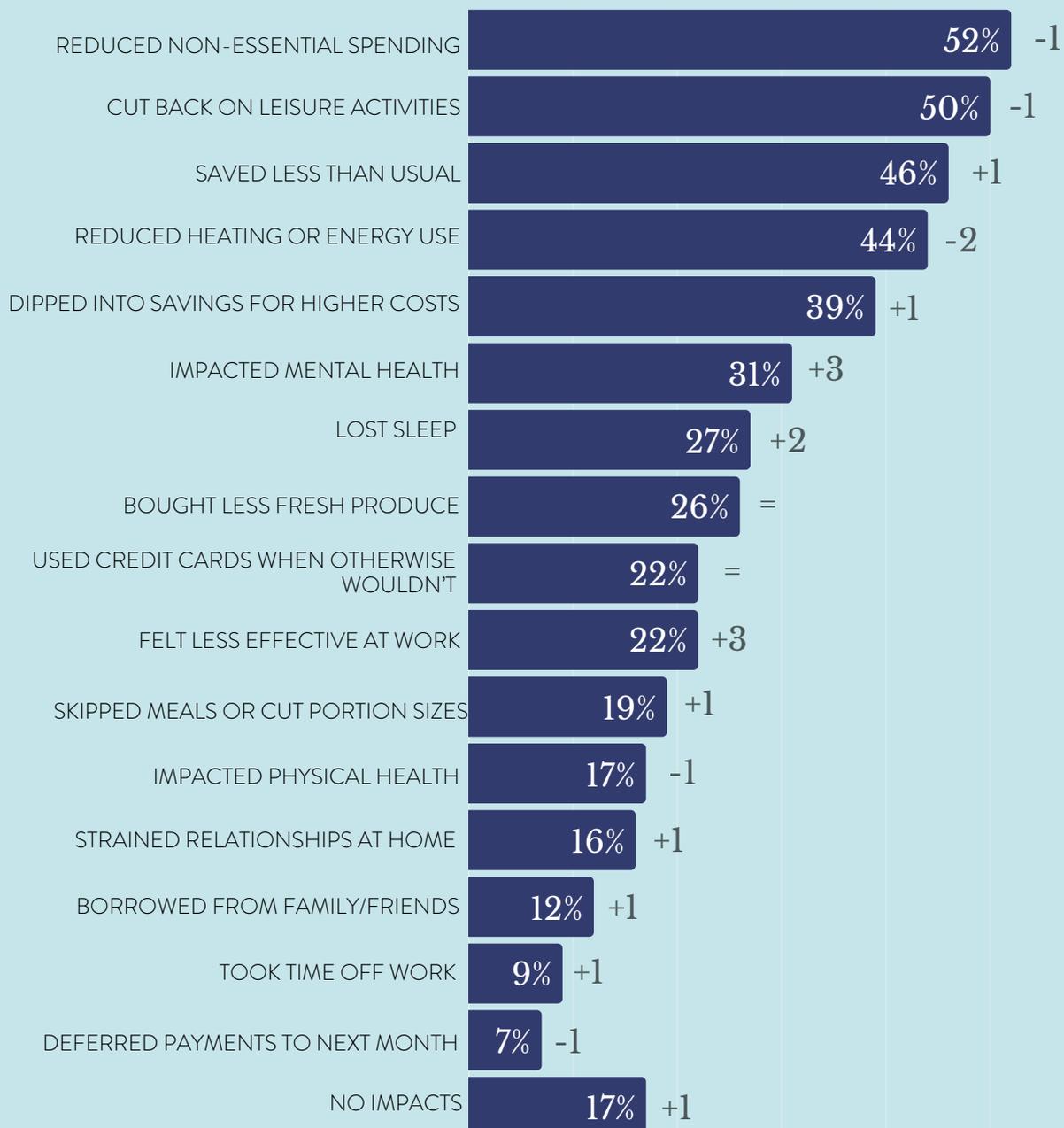
Energy use remains another area where many households continue to adjust their behaviour. Forty-four per cent say they have reduced heating or energy use, a slight decrease from 47% last quarter but broadly consistent with levels seen throughout the past year. Four in ten (39%) have dipped into their savings to cope with higher costs, a continuation of the upward drift visible across recent waves.

Emotional and wellbeing impacts have edged higher. Almost one third (31%) report that concerns about money have affected their mental health, representing a three-point increase since November and among the highest levels recorded in the time series. Sleep disruption has followed a similar pattern, with 27% reporting lost sleep due to money worries, up from 25% last wave. Work-related impacts have also risen: 22% say they have felt less effective at work, compared with 18% last quarter.

Other impacts remain stable. Roughly a quarter of the population report buying less fresh produce (26%), using credit cards when they otherwise would not (22%), or skipping meals or cutting portion sizes (19%). Physical health impacts have eased slightly to 17%, while strained relationships at home have risen marginally to 16%. Borrowing from family or friends (12%), deferring payments (9%) and taking time off work because of money concerns (7%) all remain at broadly similar levels to those recorded last quarter. Overall, 17% report experiencing no impacts from money-related concerns, a slight increase and consistent with the long-term trend in which older age groups are more likely to report being unaffected.

CONCERN WITH MONEY MATTERS

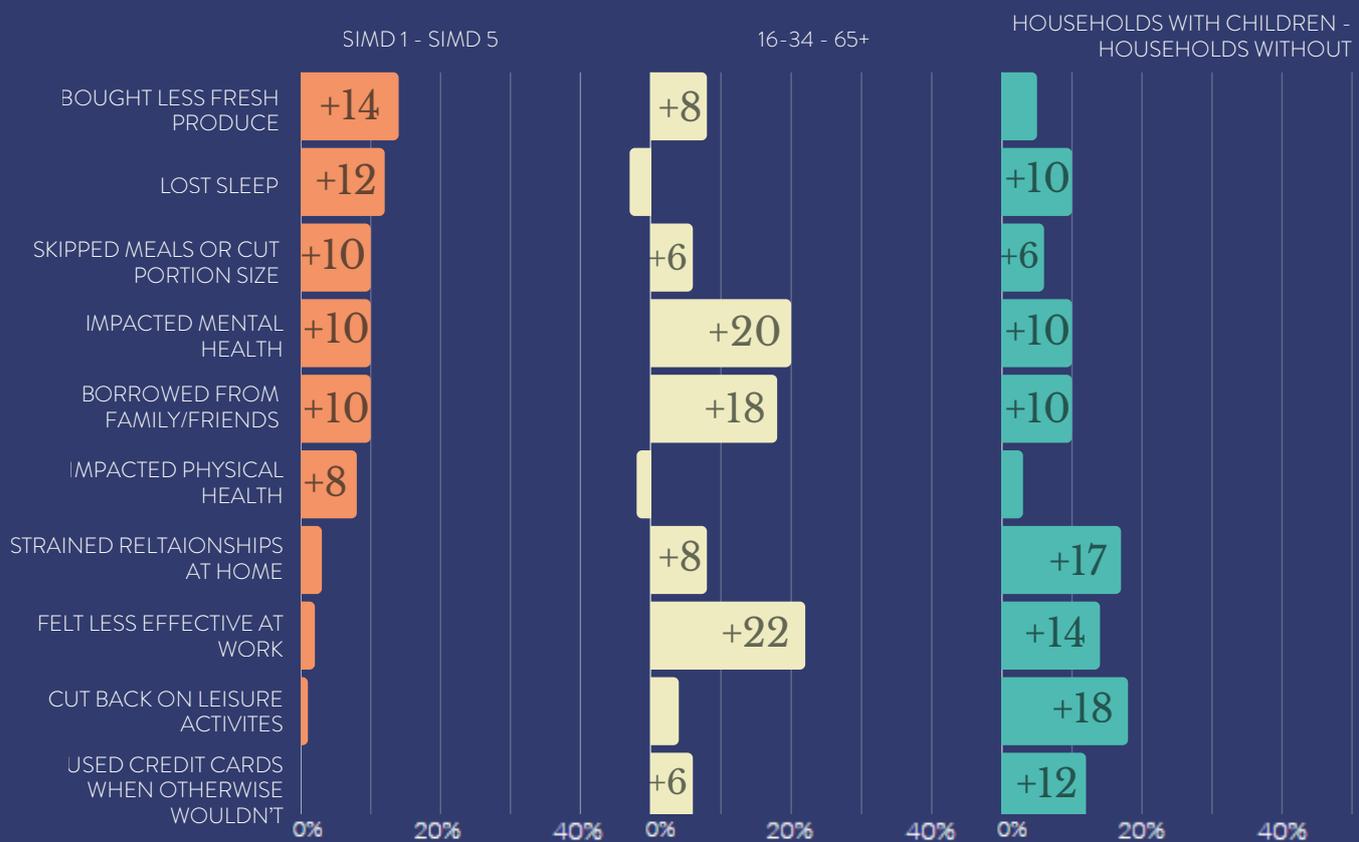
Proportion of respondents reporting the following impacts of concerns about money matters in the last 12 months



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 Nov 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*



SCOTLAND'S ECONOMIC MODEL

Public attitudes toward Scotland's economic model remain sceptical. A large majority continue to reject the idea that the economy, as currently organised, works in the interests of most people: only 7% agree with that statement this wave, while 74% disagree (34% strongly). This is broadly unchanged on November 2024 (73% disagree) and marks only a modest easing from the peak negativity recorded in 2022–23 (82% and 78% disagree, respectively). Neutral responses remain steady at 16%.

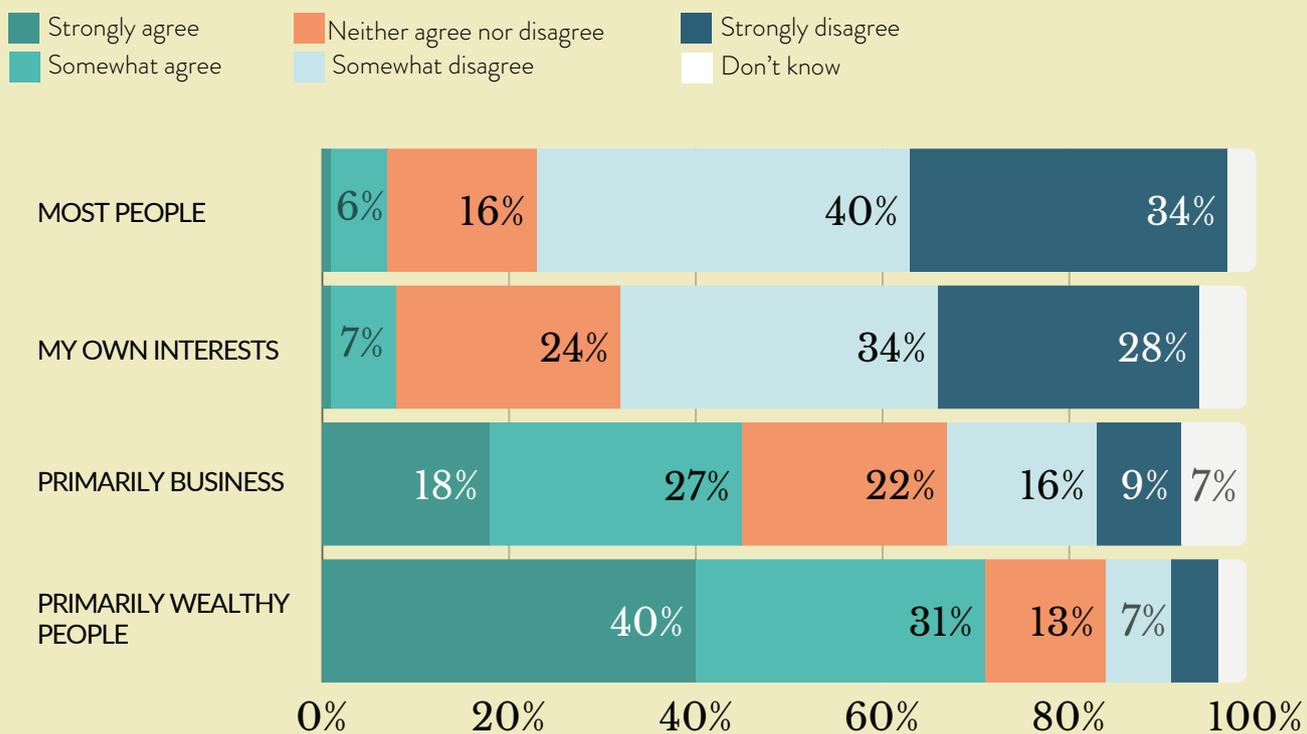
Views are similarly downbeat when people consider whether the economy works in their own interests. Just 8% agree, while 63% disagree and 24% neither agree nor disagree. This pattern has been remarkably consistent across recent waves (6% agree in November 2024; 8–10% across 2022–23), and sits well below the level seen in October 2021 (18% agree).

Perceptions of who does benefit have moderated from earlier highs but remain clear. Seventy-one per cent agree the economy primarily works in the interests of wealthy people (40% strongly), down four points from November 2024 (75%) and below the peaks seen in 2022–23 (79–78%). Likewise, 45% agree the economy primarily serves business interests, a slight uptick from November 2024 (42%) but well below October 2021 (62%) and November 2023 (53%). For both statements, net disagreement remains comparatively low (13% for “wealthy people” and 26% for “business”), indicating that, even with some softening, the balance of opinion still leans firmly toward the view that the economy benefits wealthy people and business more than the public at large.

In conclusion, these results point to a stable, long-running pattern: very few Scots believe the current economic model works for most people or for themselves, while clear majorities continue to see it as serving the interests of the wealthy and, to a lesser extent, business. The intensity of these views has eased slightly from its post-pandemic and peak cost-of-living highs, but the underlying judgement remains largely unchanged.

ECONOMY FUNCTIONS IN THE INTEREST OF...

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

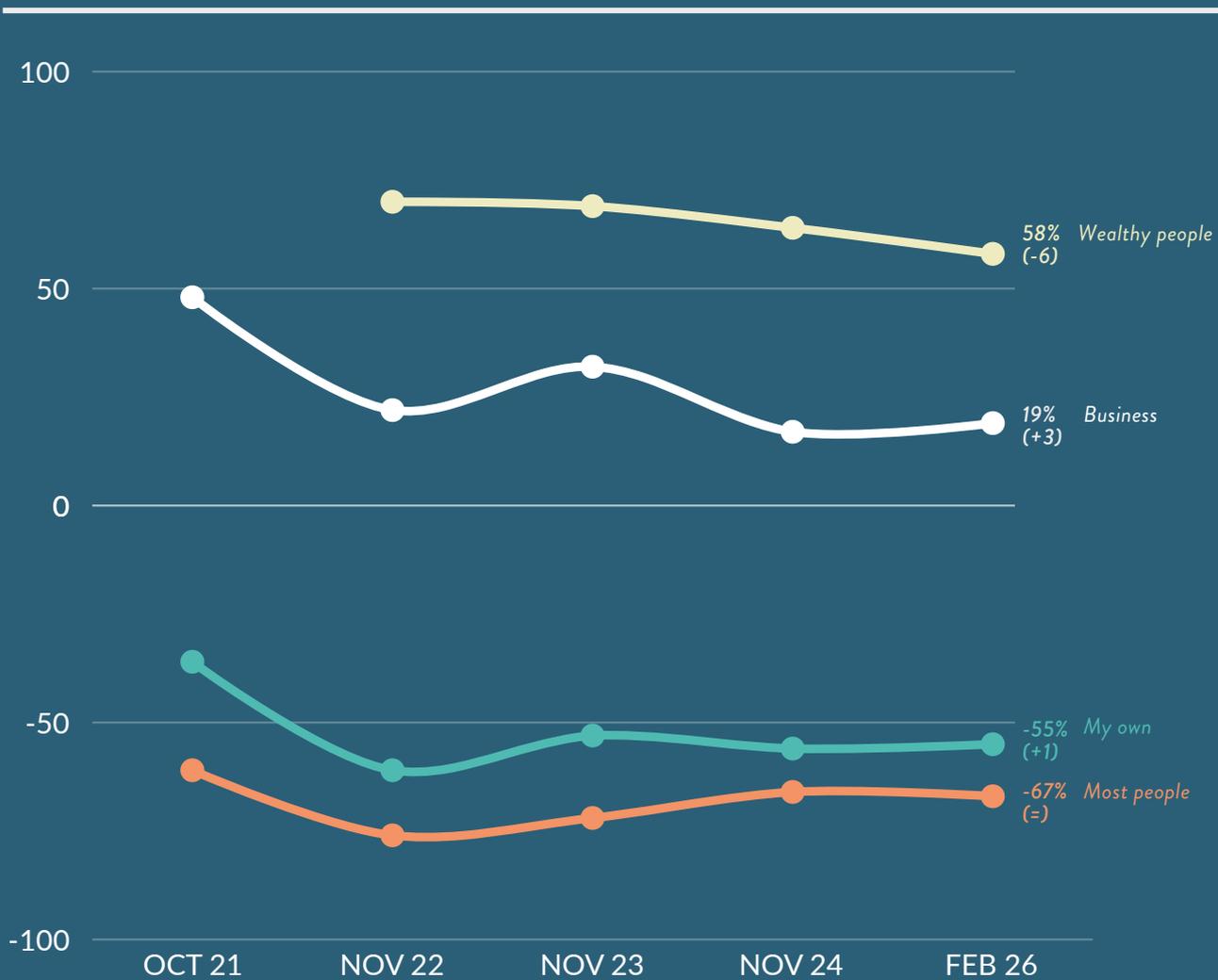


To what extent do you agree or disagree with the following statements: The economy, as it is currently organised, works in the interests of...



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...

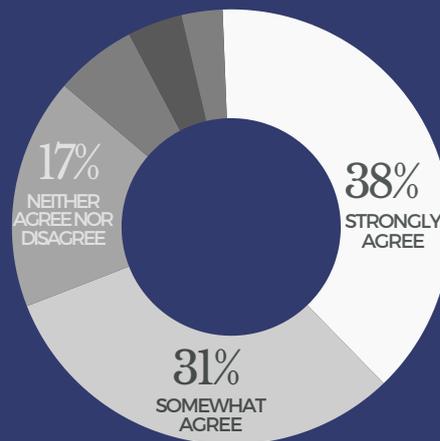
Brackets show change from November 2024

VIEWS ON ECONOMIC GROWTH

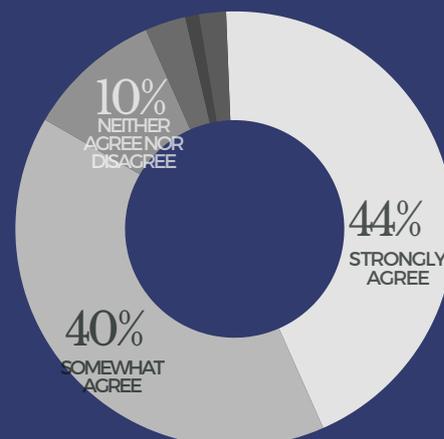
Support for placing people's wellbeing at the centre of the economy remains overwhelming. More than four in five Scots (84%) agree that improving living standards and wellbeing for the average member of society should be the main focus of the economy, essentially unchanged from November 2024 (85%). Only 3% disagree. The consistency of this finding over multiple waves underlines a broad and enduring consensus: regardless of wider economic pressures or political context, the public firmly prioritise an economic model oriented toward improving everyday living standards.

A similarly strong majority believe that economic growth should not harm the environment or worsen climate change. Just under seven in ten (69%) agree with this principle, again almost identical to November's figure (70%). Only around one in ten (10%) disagree. This suggests that, even in a period dominated by concerns about cost of living and inflation, environmental considerations remain integral to how many Scots think about the economy. While support for this position is not as emphatic as the consensus around improving living standards, it still reflects a clear expectation that environmental sustainability should be built into the way economic decisions are made.

Looking ahead to the Scottish Parliament election, a substantial proportion of the public indicate that inclusive economic growth will play a meaningful role in shaping how they vote. More than three-quarters (78%) agree that economic growth that benefits everyone will be an important consideration in their decision at the ballot box. Only 5% disagree.



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



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



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 - 4th February 2026, and received 2,131 responses from the adult population, aged 16+, across Scotland. Results are weighted to the Scottish population (2024 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.



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David
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