Scottish Health Equity Research Unit

Insights, analysis and action on the socio-economic factors that shape health

Spotlight on Research

Exploring the Health Impacts of Austerity

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Spotlight on Research: Exploring the Health Impacts of Austerity

Spending approaches of governments, both current and historically, have implications and repercussions for population health outcomes. The approach to spending is constructed through a complex and multi-faceted policy environment shaped by many factors: economic context, ideological underpinnings, wider policy ideas and discourses well as the historical landscape from previous spending choices (1)(2).

The current UK Government's spending review on the 11th June 2025 will set out their approach to spending over the next few years, with some departments in line for real terms increases in spending over the period, and others facing cuts. The UK Government has also set out in recent months a plan for reducing spending on some areas of social security. A SHERU response provides more detail on these emerging reforms (3). The devolved settlement means some UK Government decisions affect Scotland directly, while others impact the Block Grant, forcing the Scottish Government to make budget choices—likely resulting in cuts in some areas.

This Spotlight on Research summarises evidence on how spending cuts affect health inequalities, drawing on extensive research from the UK and other countries during the 2010s austerity period. While current cuts may be less severe, the findings offer valuable lessons for prioritising spending during times of constraint.

Across the literature, 'austerity' is predominantly used to refer to this policy period, although specific definitions vary and there is some debate as to precisely what counts as 'austerity'(4), as we discuss below. Nevertheless, there is growing evidence that the combination of policies that were put in place during that timeframe had detrimental impacts on health inequalities.

We explore some of the outstanding questions arising and the extent to which policymakers can avoid similar outcomes during periods in which public spending, or the real value of funds, is declining for key areas of social policy. While the Scottish Government has some powers to raise additional revenue through taxation, it has limited borrowing powers, which means that Scottish Ministers are usually required to reduce expenditure in response to UK Government decisions to reduce spending. Against this backdrop, this issue of Spotlight on Research focuses on what available evidence tells us about the likely impact of spending cuts on health outcomes and considers what this evidence tells us about how best to minimise harms.

What is the evidence base examining austerity impacts on health in the UK?

A large, and growing, body of evidence examines the relationship between austerity measures and health inequalities, and it would be impossible to fully distil every study. Instead, we provide a 'snapshot' of this extensive evidence base, paying particular attention to studies exploring the impact of austerity on health outcomes in Scotland and the wider UK. Since there is a vast array of studies exploring different aspects of austerity on a range of health outcomes, we focus on identifying key insights emerging from publications that synthesise and coalesce evidence and data, including systematic reviews and books. All the sources we cover include a focus on the UK. While some are international reviews that comparatively assess impacts of austerity policies in the UK, others provide a more granular assessment of the impacts of spending cuts on regions of the UK that were particularly affected, including the North-East of England and Scotland:

- A Health Foundation review, 'Leave No One Behind', brings together data on health inequalities and socio-economic determinants within a devolved Scottish context to assess the state of health inequalities in Scotland. This review considers the role that austerity played in Scotland's struggle to reduce health inequalities (5).
- A 2024 Systematic Review by Broadbent, Walsh, Katikireddi, Dundas and McCartney, Is Austerity Responsible for the Stalled Mortality Trends Across Many High-Income Countries?, synthesises available evidence of the impacts of austerity policies on mortality data in high-income country settings (6).
- A 2024 book 'Social Murder? Austerity and Life Expectancy in the UK' by Walsh and McCartney examining life expectancy and austerity highlighting the relationship with decreasing life expectancy within the UK (7)
- An earlier edited book by Bambra, 'Health in Hard Times: Austerity and Health Inequalities', presents multi-perspective accounts of the impact of austerity on health in Stockton-on-Tees in the Northeast of England, a local area with particularly stark health inequalities (8)
- A narrative systematic review by Jenkins, Aliabadi, Vamos, Taylor-Robinson, Wickham, Millet et al. and colleagues exploring the relationship between austerity and food insecurity in the UK (9) and a systematic review by Taylor, Boyland and Hardman Conceptualising food banking in the UK from drivers of use to impacts on health and wellbeing, both highlight a relationship between austerity and increased food insecurity (10).

- Longitudinal data analysis by Mason, Alexiou and Taylor-Robinson explores the impact of housing insecurity on mental health, sleep and hypertension during the UK's austerity period of 2009–2019 and considers whether the findings differ in places where austerity-related cuts to public services were deeper (11).
- A systematic review by Macdonald and Morgan examines the impact of austerity on disabled, elderly and immigrants in the United Kingdom, three population groups especially vulnerable to austerity related cuts (12).

What is austerity and how did it shape public spending in Scotland?

Across the literature, definitions of austerity varied. Many of the articles reviewed focused on defining 'austerity' refer to a period in which the UK and many other high-income governments sought to reduce public spending, following the 2008 financial crisis and subsequent recession, during which tax revenues and public spending fell. This is further complicated by variations in definitions of austerity and what policies are considered 'austere' in different countries and across different time periods fall under a wide range of categories and country contexts (14).

In the UK, for the purposes of this briefing, we will be focusing on exploring 'austerity' policies put in place during the 2010 and 2015 Westminster parliamentary sessions, although the impact of many of the policies put in place at that time continued beyond that. These UK level decisions resulted in cuts to the public funding allocated to the Scottish Government. By 2016/17, Scotland's Block Grant had fallen by 6% in real terms, compared to 2010/11, only returning to 2010/11 levels by 2019/20 (15).

As already mentioned, definitions vary, and there is some debate as to precisely what counts as austerity in policy (1). Within the studies covered here, Walsh and McCartney's (2024) concise definition of austerity is 'cuts to government (public) spending' (and, in a UK context, they note that annual spending in 2019 was £91 billion lower than pre-austerity levels), but they also include a detailed discussion of varying definitions(7). Broadbent et al (2024) also discuss the complexity of defining and measuring austerity, highlighting variation in measurements and the importance of considering the extent to which definitions account 'for economic growth and the changes in taxes and spending that raise independently of policy changes as a consequence' (6).

What does international evidence tell us about the impacts of austerity on population health?

As well as variations in how austerity is defined, the range of policies associated with austerity, and the complexity of pathways connecting macro-economic decisions to health outcomes, complicate efforts to assess health impacts. International evidence provides a valuable perspective, allowing us to situate the experiences of Scotland and the UK in broader analyses of the health impacts of reducing public spending in other high-income settings since there are variations in both the extent of cuts and the specific policy focus of cost-saving measures.

The analysis presented in 'Social Murder? Austerity and Life Expectancy in the UK', finds that high income countries that implemented austerity measures all had worse life expectancy and mortality trends than countries that did not (7). These negative effects on life expectancy were even more pronounced when austerity was introduced during economic downturns. The analysis of mortality trends across 37 high-income countries reveals striking differences: while countries like Australia, Ireland, and South Korea saw continued improvements (albeit at a slower rate), others—such as Germany, the UK, and the US stagnated or worsened, with the USA seeing the sharpest decline.

The impact of austerity on life expectancy is further explored in a systematic review by Broadbent and colleagues analysing the relationship between macroeconomic austerity policies and a range of health outcomes (6). Their findings indicate that austerity policies consistently harmed life expectancy, all-cause mortality, and cause-specific mortality. Using age-standardized mortality data, they found that economic austerity negatively affected both men and women, with the impact worsening over time.

Both studies conclude that austerity leads to negative health outcomes, and both show that the UK was particularly negatively impacted. The systematic review paper suggests that the scale of negative health impacts linked to austerity may vary depending on the specific fiscal measures used (e.g. the balance between public spending reductions and tax rises, and variations in the distributional consequences of measures). Walsh and McCartney conclude that a key reason for the particularly stark health impacts of austerity in the UK was the fact that spending cuts were implemented in ways that disproportionately affected more vulnerable populations, including those on low incomes and people with existing health conditions and disabilities (7).

Ultimately, international evidence suggests that austerity has been a key driver of poor health outcomes, including stalled life expectancy trends, across many high-income countries, with the UK being particularly affected. Comparative evidence suggests that the particularly stark health impacts experienced in the UK are likely to result from the types of austerity measures implemented, which disproportionately impacted already vulnerable populations.

What does evidence tell us about the impacts of austerity on population health in Scotland and the wider UK?

The impacts of austerity on population health within Scotland and the UK are wide-ranging. Data from a variety of quantitative and qualitative studies highlight the complexity of health outcomes affected, the critical importance of this period on health and inequalities and the multiple pathways through which health was affected.

The real terms reductions in the resources allocated to Scotland by the UK Government per capita, mentioned above, were described as not aligning with the contextual needs of Scotland population in the Health Foundation's Leave no one behind report (5), leaving Scotland's public services in a "fragile state". According to the authors, this put additional pressure on public services, including health services, which deepened existing inequalities. These challenges were further intensified by the COVID-19 crisis, which exacerbated the effects of prolonged underfunding (Finch et al., 2023).

The harms of austerity measures have been identified across age groups, from impacts on premature babies birth weights (7) to quality and levels of care provision received by older adults requiring care (12). In Scotland specifically, Leave No One Behind analysis suggests two key groups were disproportionately impacted during the austerity years:

1. Young Men (Ages 15–44): Suicide, alcohol, and drug-related deaths became leading causes of mortality, with this group accounting for two-thirds of absolute health inequalities (16).
2. Children and Infants: Health inequalities widened, with low birth weight becoming more common in poorer communities, and inequalities in infant mortality and early childhood development worsening (5).

Bambra's edited collection, 'Health in Hard Times' examined the town of Stockton-on-Tees to illustrate how austerity deepened health inequalities in a local area with a history of poor health outcomes and stark inequalities (8). Within the book, a longitudinal survey of 4,000 randomly selected households revealed that the health gap between the most and least deprived areas remained persistently wide. Physical health in the most deprived areas declined steadily, highlighting the long-term harm caused by austerity (17). Ethnographic research showed that austerity measures in Stockton-on-Tees compounded hardships already faced by low-income communities, leading to: higher stress levels; reduced access to health and wellbeing services; increased food insecurity, forcing families to ration food or rely on foodbanks; and a psychological burden of stigma, which further damaged mental health (18). Reflecting on the findings of this multi-dimensional analysis, Bambra describes the health consequences of austerity as 'the human price' of economic policy (8).

McDonald and Morgan (2021) further explored how austerity affected vulnerable populations. Their review of 29 studies found that changes in eligibility for healthcare and social services disproportionately impacted disabled people, the elderly, immigrants, and those on low incomes. Instead of outright cuts, policies often altered criteria for accessing services, reducing financial support and creating a domino effect that worsened health outcomes. Many households, especially in rural areas, were forced to self-fund care, withdraw from services, or were subject to reduced service quality—all of which had direct negative effects on health (12).

Other studies focus on specific pathways connecting aspects of austerity to health outcomes. For example, Mason et al. (2024) examined the relationship between austerity and housing insecurity, using data from the UK Household Longitudinal Study (2009–2019). Their analysis found that housing payment difficulties increased the risk of mental health disorders by 2.5% and sleep disturbances by 2.0%. The impact was particularly severe for renters, young people, those with lower education levels, households with children, and residents of areas hit hardest by austerity-related housing cuts (11).

Austerity also contributed to rising food insecurity, a key public health challenge. Taylor et al. (2024) conducted a systematic review examining foodbank use in the UK, linking increased demand to welfare reforms and benefit reductions. Their findings showed:

- Key drivers of foodbank use included: benefit sanctions (48.3%), benefit delays (31.0%), welfare cuts (37.9%), and the introduction of Universal Credit (17.2%).
- Health consequences included: worsened mental health due to stress and stigma, as well as deteriorating physical health from poor nutrition (10).

Similarly, Jenkins et al. (2021) reviewed austerity's impact on food insecurity across multiple studies. Their findings confirmed that welfare reform and austerity policies directly increased foodbank reliance, with six studies explicitly linking benefit reductions to worsening food insecurity in the UK (9).

In the UK, there is now a large body of evidence linking austerity to a slowdown or reversal in life expectancy improvements, particularly among disadvantaged populations. Looking across the evidence, key pathways connecting austerity measures to poorer health impacts include:

- Financial Stress and Mental Health: Economic hardship exacerbated mental health issues, particularly in already vulnerable groups.
- Food Insecurity and Nutrition: Reduced access to adequate food worsened both physical and mental health outcomes.
- Cuts to Health and Social Services: Changes to eligibility criteria and reduced funding negatively affected care quality and accessibility.
- Stigma and Psychological Strain: The experience of poverty and reliance on welfare services had damaging mental health consequences.
- Housing Insecurity: Austerity-related housing policies contributed to stress, sleep disturbances, and declining mental health.

In short, austerity measures in the UK have had lasting impacts on population health. By reducing social protections, increasing financial pressures on households and limiting access to essential services, austerity policies have contributed to stalling life expectancy, worsening health inequalities and a range of other long-term population health challenges.

So, what lessons can we draw from this research and what else do we need to know?

Assessed collectively, the evidence reviewed here finds that austerity negatively impacts health outcomes and suggests that the health impacts may be worse in contexts where public services and support have already been weakened, and that the risks are greater for people who are already experiencing disadvantage. Worsening mental health is frequently identified as an important pathway connecting austerity measures to poor health outcomes (7), with other pathways including food insecurity (10), income-related stress and housing instability (11), as well as (especially in qualitative research) people's experiences of being stigmatised (18). These findings highlight the urgent need to protect individuals and communities on low incomes during periods of economic austerity to prevent further harm and inequities.

There is also a risk that this growing body of evidence is not specific enough to be able to answer the questions that policymakers are currently grappling with, when making decisions about which areas of public investment to prioritise. This is particularly relevant for policymakers in Scotland who may have no choice but to implement UK Government cuts and who therefore need to decide where these cuts will be least harmful. Yet, unpacking more precisely which aspects of austerity contribute to negative health trends and what other factors contributed remains challenging. Over the past 15 years, the UK experienced Brexit, the COVID-19 pandemic, and a cost-of-living crisis—all of which have interacted with austerity-related harm. The recession, which predated the austerity period, will also have impacted on the incomes of some households and contributed to a longer-term stagnation in earnings growth (15). In addition, policy efforts to implement austerity measures in the UK were shaped by longer-term political plans to reform and simplify the welfare system by amalgamating multiple work and tax benefits into a single Universal Credit; reforms which encountered multiple implementation challenges. During a review of these Welfare Reforms, the National Audit Office noted that over 30 distinctive reforms had taken place and highlighted the 'financial and human costs' emerging from the operationalisation and delivery of this approach (20).

Where there are fiscal pressures on policymakers, as is the case in Scotland currently, it would be helpful to have a clearer sense of which policies are most likely to be protective for those at greatest risk and which, if cut, are likely to be most damaging. Research to understand how specific policies, and particular mixes of policies, have impacted health outcomes is complex, not least because of varying contexts, policy combinations and approaches to implementation. Multifaceted approaches to research are therefore needed. Further comparative research can help assess which combinations of policy measures correlate with particularly poor health outcomes and which seem more protective. We also, however, need in-depth, qualitative work to understand how different policy combinations are implemented and how they shape people's experiences. In the UK, this includes understanding how policies set at the UK, devolved and local levels all interact.

It would also be helpful to have more research exploring how austerity impacts population groups that are already disadvantaged through intersecting characteristics such as disability, ethnicity, gender and age, how this contributes to inequalities in health outcomes and how this can be mitigated. Likewise, in thinking about how to design and target mitigating policies in Scotland, it would be useful to understand what difference, if any, people's location (e.g. rural versus urban) makes to the impact of spending cuts on health outcomes.

There are also opportunities to learn from intra-UK variations in responding to austerity measures. For example, the Scottish Government did not reduce spending for local government as severely as was the case across England. The Scottish Government also mitigated some of the cuts to social security, including the so-called 'bedroom tax', which reduces the level of Housing Benefit for those deemed to have more bedrooms in their property than is strictly necessary given the size of their household and reductions to the level of Council Tax Reduction that were applied in 2013 (13).

However, the adverse trends in life expectancy were seen as much in Scotland as the rest of the UK. Explanations for this may include that these measures were not of a scale large enough to make an impact, or they may have been outweighed by other negative factors impacting on people in Scotland at the same time, but research is urgently needed to explore this. If local government was not able to protect health during the 2010 austerity period, should the Scottish Government pass more spending cuts on to the local level to prevent other cuts, or are there ways of ensuring local government investments have a more protective impact? Policymakers need accessible and deliverable insights that helps them to answer these questions and understand the trade-offs.

One of the strongest lessons from this research is the need for policymakers to recognise the real human cost of austerity. As Bambra (2019) describes, the "human price" of austerity policies is reflected in worsening health outcomes, deepened inequalities, and preventable harm (10). In the UK, austerity set the stage for worsening socio-economic conditions during later crises, including Brexit, the COVID-19 pandemic, and the Cost-of-Living crisis.

Evidence suggests that austerity measures intensified existing inequalities, making certain groups more vulnerable to new challenges and crises as they arose. The cumulative effects underscore the need for policies that anticipate and mitigate harm rather than exacerbate inequalities. However, the emergence of the Green Paper on welfare reform from the new UK Government (24) and the focus on reducing support for disabled people suggests that this body of evidence is having relatively little impact (25). For researchers involved in policy research, understanding why this has been the case and what type of evidence could make a difference feels like a crucial next step to inform future research.

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