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Employment and mental health inequality

Scotland



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Acknowledgements

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Highlights

Scotland leads the UK on workforce wellbeing.

However, mental health and financial strain have worsened for workers over the past 15 years.

One in five Scottish workers is now experiencing poor mental health.

529,000 workers are experiencing poor mental health, an increase of 65% since 2010.

Cost-of-living pressures leave one in 12 workers in financial hardship and one in three dissatisfied with their income.



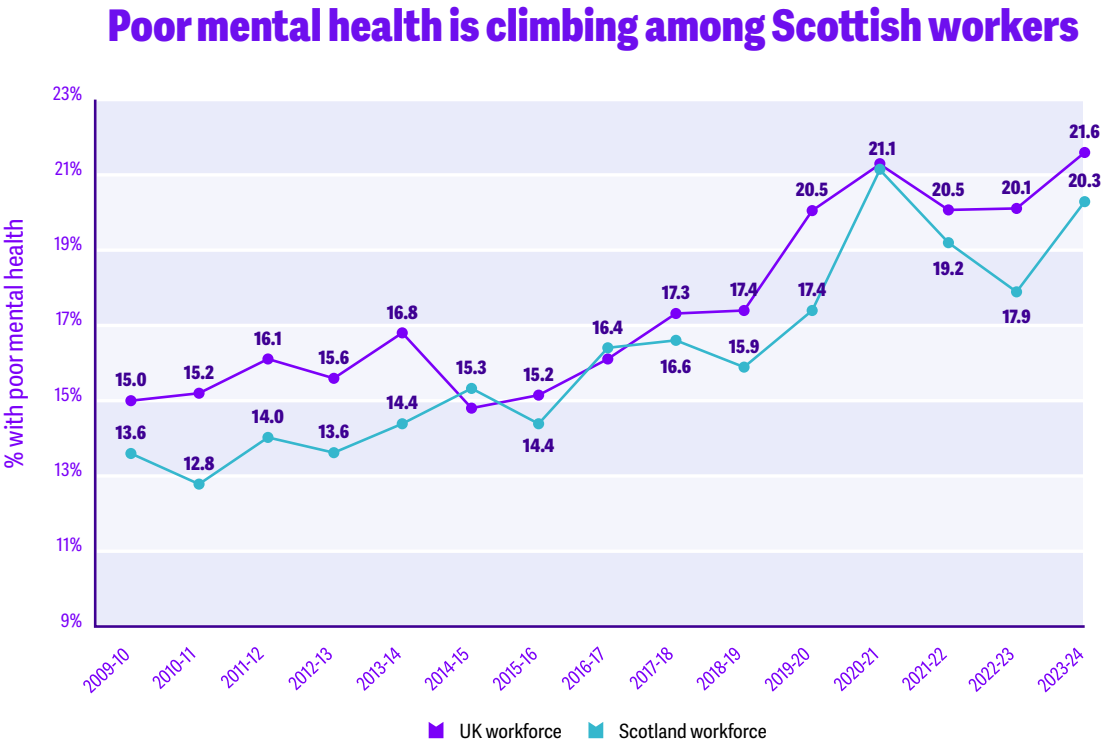


Figure 1. Scotland workforce mental health 2009-2024.
Levels of poor mental health in the Scottish workforce (all employed adults) compared to the whole UK workforce. Percentage estimates calculated from the *Understanding Society* dataset based on the GHQ-12 cutoff score of four or more.

Workforce mental health in Scotland has undergone a notable deterioration over the past two decades, reflecting a steady erosion of wellbeing among workers (Figure 1). The most recent *Understanding Society* data show that **one in five workers in Scotland (20.3%) – 529,000 people¹ – were experiencing poor mental health**, underscoring the scale of the challenge.

Levels of poor mental health climbed progressively through the 2010s, reaching a peak in 2020/21 when more than one in five Scottish workers (21.1%) were identified as having poor mental health. While there was a notable improvement immediately following the pandemic, this recovery has not held: **workforce mental health has once again worsened in the most recent data, signalling a renewed negative trajectory.**

The significance of this trend extends far beyond individual workers. A workforce facing poorer mental health may experience higher levels of absence and lower

productivity, raising concerns about the country’s future economic resilience and its ability to sustain healthy, productive workplaces.

Since 2010, the number of workers with poor mental health in Scotland has increased by 210,000 people (65%).²

The consequences of this deepening mental health crisis extend throughout families, communities, workplaces and the wider economy.

Financial wellbeing among Scottish workers mirrors this troubling pattern. The share of workers reporting **financial hardship has risen to 8.0% in 2023/24, a notable jump from 5.5% just two years earlier.** Although

1. Region/nation profile - Scotland. Nomis. Office for National Statistics. Accessed August 19, 2026. <https://www.nomisweb.co.uk/reports/lmp/lor/contents.aspx>
Based on 2,606,000 employed people in Scotland in December 2023 – February 2024, corresponding to the midpoint of *Understanding Society* Wave 15 data collection.

this rate remains lower than that of the UK workforce as a whole (10.2%), it nevertheless represents a meaningful deterioration.

Income satisfaction also presents a mixed picture: **in 2023/24, more than one in three workers (35.9%) said they were not satisfied with their income.** While this is a significant improvement from the period between 2011 and 2014 – when nearly half of all workers were not satisfied – it still points to a sizeable proportion of the workforce living with income-related stress. Importantly, income dissatisfaction in Scotland remains considerably lower than the UK average of 42.7%, suggesting that financial strain, while increasing, is not as severe as elsewhere in the UK.

Financial security is one of the most powerful determinants of mental health, and low income is a key driver of mental health inequality.³

Scotland therefore risks entering a negative cycle in which financial hardship damages mental health, poor mental health pushes more people out of work and rising economic inactivity further undermines prosperity and social equality.



2. Region/nation profile - Scotland. Nomis. Office for National Statistics. Accessed August 19, 2026. <https://www.nomisweb.co.uk/reports/lmp/lor/contents.aspx>
Based on 2,491,000 employed people in Scotland in December 2010 – February 2011, corresponding to the midpoint of *Understanding Society* Wave 2 data collection.

3. Jowett S, Lutz N, Crepaz-Keay D. The Foundation Reports: Tackling mental health inequalities in the UK: expert consensus on priority areas. Mental Health Foundation. November 2025. Accessed August 17, 2026. <https://www.mentalhealth.org.uk/our-work/research/foundation-reports-tackling-mental-health-inequalities-uk>

Workforce mental health trends diverge across the four nations

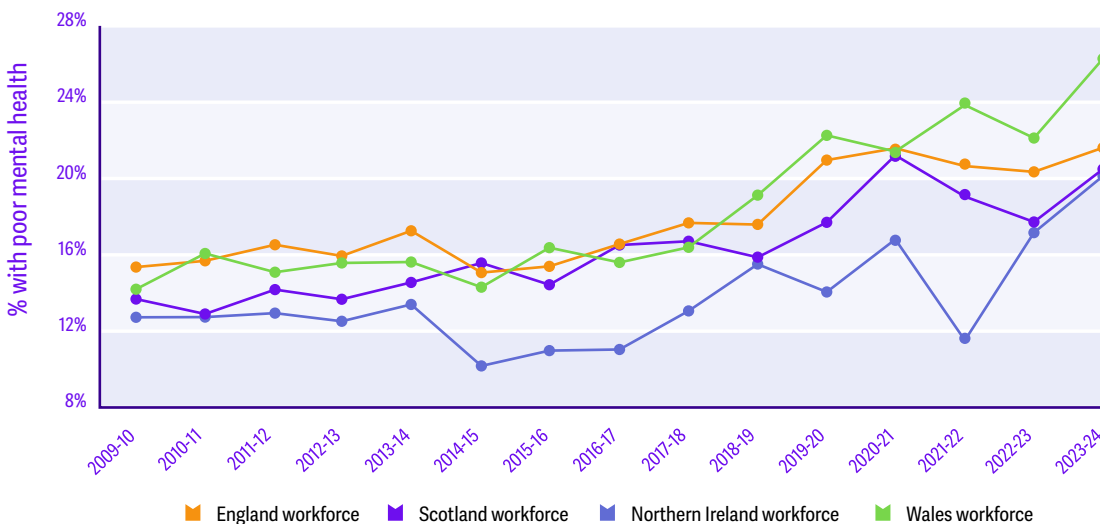


Figure 2. Workforce mental health in England, Northern Ireland, Scotland and Wales, 2009-2024. Levels of poor mental health in the workforce (all employed adults) within each of the four UK nations over time. Percentage estimates calculated from the *Understanding Society* dataset based on the GHQ-12 cutoff score of four or more.

These workforce-level findings reflect the broader landscape outlined in *The Foundation Reports: The state of mental health inequality in the UK* (2026), which found that population-level mental health in Scotland has typically been similar to or slightly better than the UK average.⁴ The same pattern holds among workers. Although mental health has worsened across the UK, Scotland’s trajectory has largely mirrored national trends (Figure 2). In the most recent data, levels of poor mental health in Scotland do not significantly differ from the UK workforce overall, indicating that Scotland is neither faring notably better nor worse in terms of overall prevalence.

Moreover, Scotland stands out in a positive way in job related wellbeing. **The proportion of Scottish workers who are persistently stressed or unhappy due to their job is significantly lower than the UK average**

– 13.8% in Scotland compared with 16.9% in the whole UK. This suggests that, despite broader declines in mental health and rising financial pressures, Scotland’s working environment may be offering somewhat greater protection against job-specific sources of stress than the rest of the UK.

Compared with the other three nations, Scotland records the best workforce outcomes across job-related wellbeing, income satisfaction and financial situation.

Workers in Scotland have better mental health than those in England or Wales.

4. Lutz N, Berrington W, Lejac B, MacLeod C, Fitzroy V, Razzell C, Hough M, Barnswell I. The Foundation Reports: The state of mental health inequality in the UK. Mental Health Foundation. June, 2026. Accessed August 13, 2026. <https://reports.mentalhealth.org.uk/foundation-reports/report/>

	% Poor mental health	% Poor job-related wellbeing	% Income dissatisfaction	% Financially struggling
England workforce	21.5	17.1	43.2	10.5
Northern Ireland workforce	19.9	14.4	37.2	8.1
Scotland workforce	20.3	13.8	35.9	8.0
Wales workforce	26.2	19.1	48.9	10.6
Whole UK workforce	21.6	16.9	42.7	10.2

Table 1. National workforce wellbeing stats. Comparison of wellbeing measures across employed adults in each UK nation. Percentage estimates calculated from the most recent *Understanding Society* data available: 2023/24 for general mental health, income dissatisfaction and financial situation, and 2022/23 for job-related wellbeing.

Even so, the overall picture remains one of concern. Mental health in Scotland has worsened significantly over time, and the recent reversal of post-pandemic improvements signals emerging pressures that could undermine workforce wellbeing further. Scotland may be performing relatively well against UK benchmarks, but the underlying trend is clear: mental health among Scottish workers is worsening, financial strain is intensifying and the resilience that once characterised Scotland’s workforce may be weakening.

Scotland’s stronger position cannot be taken for granted.

Without targeted intervention, outcomes may continue to deteriorate, bringing the nation closer to the more severe patterns observed elsewhere in the UK.



Labour market

The employment rate in Scotland has been marginally lower than in the rest of the UK since the 2010s. Between 2019-25 it was 1.2 percentage points lower on average⁵, and between February-April 2026 the employment rate stood at 74.3% compared to 75% for the UK.⁶

A key labour market policy priority is to ensure that all of Scotland’s young people have access to secure and fulfilling employment as a core protective element of their mental health. That involves reducing the youth unemployment rate in Scotland amongst 16-24-year-olds, estimated to be 14.1% in the final quarter of 2025.⁷ The salience of the issue is underscored by a survey of young people conducted by Inspiring Scotland in 2024/25. Nearly half (48%) of respondents disclosed mental health as the biggest issue preventing them from taking part in school, training or work.⁸



5. Michael J, Wernham T. Labour market, living standards and poverty trends in Scotland. Institute for Fiscal Studies. 2026. Accessed August 17, 2026. https://ifs.org.uk/sites/default/files/2026-04/IFS%20Report%20-%20Labour%20market%2C%20living%20standards%20and%20poverty%20trends%20in%20Scotland_1.pdf

6. Scotland’s labour market trends: June 2026. Scottish Government. 2026. Accessed August 17, 2026. <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2026/06/labour-market-trends-june-2026/documents/labour-market-trends-june-2026/labour-market-trends-june-2026/govscot%3Adocument/Labour%2BMarket%2BTrends%2B-%2BJune%2B2026.pdf>

7. Economy, People and Skills: January 2026. Skills Development Scotland. 2026. Accessed August 17, 2026. <https://www.skillsdevelopmentscotland.co.uk/media/12qpgqbx/economy-people-and-skills-january-2026.pdf>

8. Breaking barriers: what helps young people move into education, training and work. Inspiring Scotland. 2026. Accessed August 17, 2026. <https://inspiringscotland.org.uk/news/breaking-barriers-what-helps-young-people-move-into-education-training-and-work/>

POLICY CALLS TO ACTION – WHAT CAN WE DO?



We know that a wide range of devolved public policy agendas and frameworks are relevant to tackling the complex and multi-faceted relationship between employment and mental health in Scotland.

Here, we purposefully focus our policy calls for action in Scotland on the inter-related policy areas of *Fair Work*, *Public Sector Reform* and *Population Mental Health*. Collectively, they offer an opportunity to better align secure, fulfilling employment and good mental health for the wellbeing and prosperity of Scotland’s people and for the nation..

Our proposals include:

- **Placing a statutory duty on Scottish Ministers and public sector organisations** to include a preventative mental health budget line in portfolio and/or organisational budgets to identify areas of preventive spend, including on workforce support.
- **Amending the Scottish Government’s Fair Work First policy and related statutory guidance** to include:
 - a) Demonstrable provision for recruiting and supporting neurodiverse people and people with lived experience of poor mental health as a mandatory criterion for award of public procurement contracts to suppliers.
 - b) Demonstrable provision of mental health support mechanisms as a desirable criterion for organisations in receipt of grant funding from the Scottish Government.
- **Ensuring that holistic, person-centred and trauma-informed mental health and wellbeing support is embedded within employability services** for people facing barriers to employment or at risk of becoming economically inactive.
- **Continuing to develop the Supporting a Mentally Healthy Workforce learning network**, jointly hosted by the Scottish Government, Public Health Scotland and See Me, to ensure content remains current and meets the needs of employers.
- **Enhancing in-school support for transitions from education to work** by mainstreaming key employability skills in the Curriculum for Excellence at secondary school level, with scope to apply bespoke approaches based on individual needs.

Research methods

The figures here come from new analysis of the *Understanding Society* dataset⁹ carried out by the Mental Health Foundation research team. The *Understanding Society* study collects longitudinal data from 40,000 households across the UK, surveying the same people each year to track changes over time. Here, we have analysed data from 2009/10 through to 2023/24, the most recent data available at the time of *The Foundation*

Reports publication. The 2023/24 wave of data collection included 1,577 employed people in Scotland.

Further details on the analysis strategy can be found in the appendix of the full-length research report, *The Foundation Reports: Employment and mental health inequality (2026)*. Data tables are available on *The Foundation Reports* website.



9. University of Essex, Institute for Social and Economic Research. (2025). *Understanding Society: Waves 1-15, 2009-2024 and Harmonised BHPS: Waves 1-18, 1991-2009*. [data collection]. 20th Edition. UK Data Service. SN: 6614, DOI: <http://doi.org/10.5255/UKDA-SN-6614-21>



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